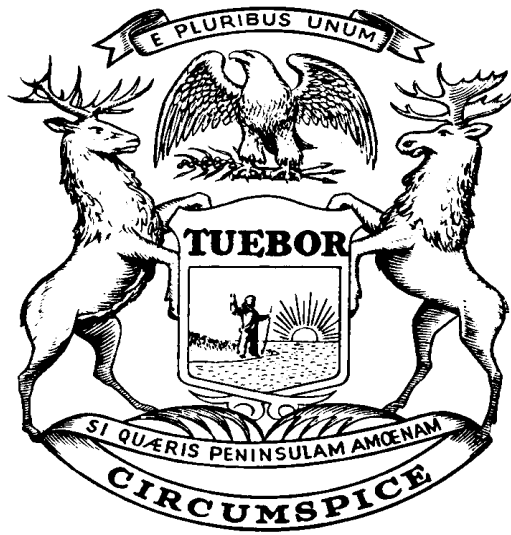


STATE OF MICHIGAN  
FISCAL YEAR 2002-03

# Appropriations Summary and Analysis



prepared by the



Mitchell E. Bean, Director

November 2002

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November 2002

TO: Members of the Michigan House of Representatives

This **FY 2002-03 Appropriations Summary and Analysis** summarizes the enacted FY 2002-03 appropriations. The report begins with an *Overview* section, includes a budget summary and analysis for each department/agency, and ends with a *Consensus Revenue* section.

A *Glossary* follows the table of contents and explains several terms used throughout the report to describe the size of the budget for the State of Michigan. When analyzing the budget, it is important to note the following:

**Adjusted Gross** is the amount to use when measuring the effect of state spending on the state's economy.

**General Fund/General Purpose (GF/GP)** is the amount to use when measuring state resources available for legislative allocation to various state programs.

**State Spending from State Sources** is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

Following the Glossary, the *Overview* presents the resources and appropriations in the enacted budget—many of which are presented in greater detail in subsequent sections. Also included in the *Overview* are the impacts, by department, of early retirement; appropriations from the national tobacco settlement funds; and major changes in departmental budgets.

Agency Analysts prepared the individual budget sections with help from their Budget Assistants. Report production was coordinated by Jeanne Dee, Administrative Assistant.

House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

Mitchell E. Bean, Director



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# **GLOSSARY**

## **Frequently-Used State Budget Terms**

### **Adjusted Gross**

Total net amount of all line item gross appropriations less (or minus) interdepartmental grants (IDGs) and intradepartmental transfers (IDTs)

### **Boilerplate**

Specific language sections contained in an appropriations act which direct, limit or restrict line item expenditures, and/or require reports

### **Budget Stabilization Fund (BSF)**

The countercyclical economic and budget stabilization fund—also known as the "rainy day" fund

### **Federal Revenues**

Federal grant or matchable revenues dedicated to specific programs

### **General Fund/General Purpose (GF/GP)**

The state's primary operating fund; the portion of the state's General Fund that does not include restricted revenues

### **Gross Appropriations (Gross)**

The total of all applicable line item spending authorizations

### **Interdepartmental Grant (IDG)**

Revenue or funds received by one state department from another state department (usually for a service the receiving department provides)

### **Intradepartmental Transfer (IDT)**

Transfers or funds being provided from one appropriation unit to another in the same department

### **Lapses**

Unspent/unobligated funds remaining in line item accounts at the end of the fiscal year

### **Line Items**

Specific funding amount in an appropriations bill which establishes spending authorization for a particular program or function (may be for a single purpose or for multiple purposes)

### **Local Revenue**

Revenues from local units of government

### **State Restricted (Restricted Funds)**

State revenue dedicated to a specific fund; revenue which results from state mandates or initiatives; used for specific programs pursuant to the Constitution or statute

### **Private Funds**

Revenues from non-government entities such as rents, royalties or interest payments, payments from hospitals, payments from individuals, and gifts and bequests

### **School Aid Fund (SAF)**

The primary funding source for K-12 schools and Intermediate School Districts (ISDs)

### **Work Project**

An account established to allow for certain specific unspent funds to be carried over from one fiscal year to a succeeding fiscal year or years





# **FY 2002-03**

## **OVERVIEW**

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## **FY 2002-03 OVERVIEW Summary and Analysis**

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The enacted budget for Fiscal Year (FY) 2002-03 year-to-date (YTD) includes \$39.0 billion in adjusted gross appropriations. Funding sources include \$17.3 billion in state restricted funds, \$11.3 billion in federal funds, \$9.2 billion in General Fund/General Purpose (GF/GP) revenues, and \$1.2 billion in local and private sources. This represents a 0.86% increase in adjusted gross appropriations and a 0.02% decrease in GF/GP appropriations compared to the FY 2001-02 YTD level.

### **Consensus Revenue Estimates**

The FY 2002-03 GF/GP budget is based on consensus revenue estimates agreed to at the May 16, 2002, Consensus Revenue Conference. These estimates included a GF/GP revenue decline of \$1.8 million (-0.02%) from FY 2001-02 and School Aid Fund (SAF) revenue growth of \$400.3 million (3.95%) from FY 2001-02. Consensus revenue estimates are discussed briefly in this Overview (page 21) and in detail in the Consensus Revenues section of this document.

### **Additional Funding Resources**

In addition to consensus GF/GP revenue estimates, GF/GP expenditures are funded with \$605.1 million from non-GF/GP resources, increased revenue from a freeze in the scheduled roll back of the Single Business Tax rate, and an increase in the state tobacco tax. These additional resources include transfers from the Budget Stabilization Fund (BSF) and the Merit Award Trust Fund; see details on page 8. In addition to consensus SAF revenue estimates and a GF/GP transfer, the SAF expenditures in FY 2002-03 are funded with BSF transfers and by advancing State Education Tax collections from FY 2003-04 into FY 2002-03; see details on page 9.

The FY 2002-03 budget includes \$363.2 million in FY 2002-03 appropriations to be made from tobacco settlement funds; see detail on pages 10 and 11. Another key component of the FY 2002-03 GF/GP budget is budgetary savings from an early retirement program for state employees explained on page 7.

### **GF/GP and Adjusted Gross Charts**

Figures 1 through 3 (pages 4, 5, and 6) show YTD Adjusted Gross Appropriations from FY 1998-99 through FY 2002-03, distribution of GF/GP and Adjusted Gross appropriations for FY 2002-03, and percentage change in appropriations by budget area from FY 2001-02 YTD to FY 2002-03 for GF/GP and Adjusted Gross appropriations.

### **Impact of Early Retirement Plan**

Page 7 provides an overview of the budgetary impact of the early retirement plan for state employees implemented through Public Act 93 of 2002. The early retirement program overview summarizes the employment and GF/GP savings by department.

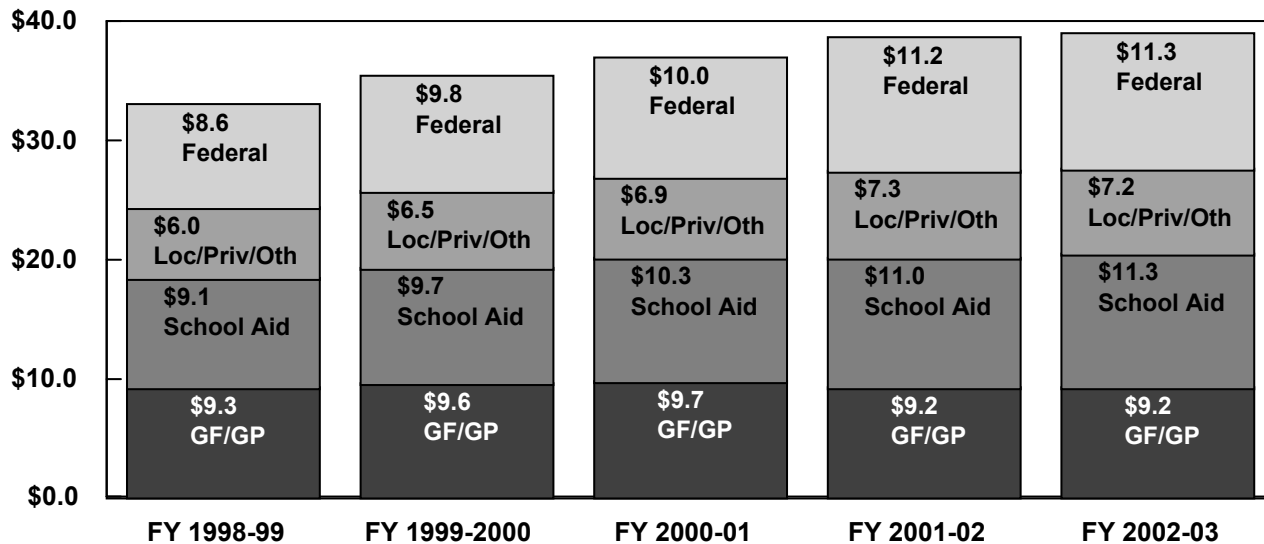
This Overview also includes a review of state workforce changes, state spending returned to local governments, across-the-board economic/inflation changes, and highlights of major changes by budget area. Details are contained in the individual budget sections. Overall content of the budget is summarized on page 21, and reported in Tables 1 through 5 (pages 22 through 26) of this publication.

Following this Overview, FY 2001-02 and FY 2002-03 supplemental appropriations included in Public Act 530 of 2002 are reported (page 27). In addition, individual sections explain spending proposals by department or major budget area. Each section includes a comparison of FY 2001-02 YTD appropriations with the FY 2002-03 budget, a budget overview, and an analysis and discussion of major budget and boilerplate issues.

Figure 1 shows YTD Adjusted Gross appropriations from FY 1998-99 through FY 2002-03.

Figure 1

### Adjusted Gross Year-to-Date Appropriations (Billions of Dollars)



(Table in Millions of Dollars)

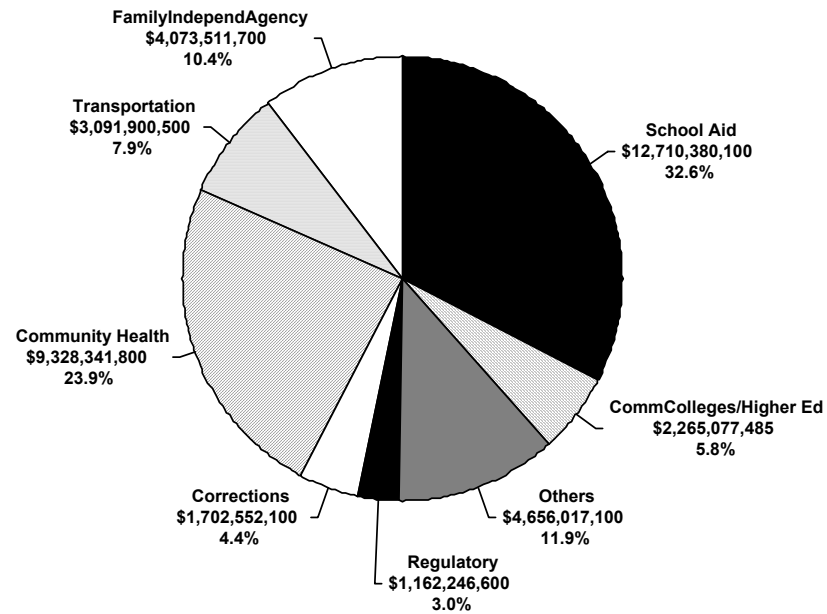
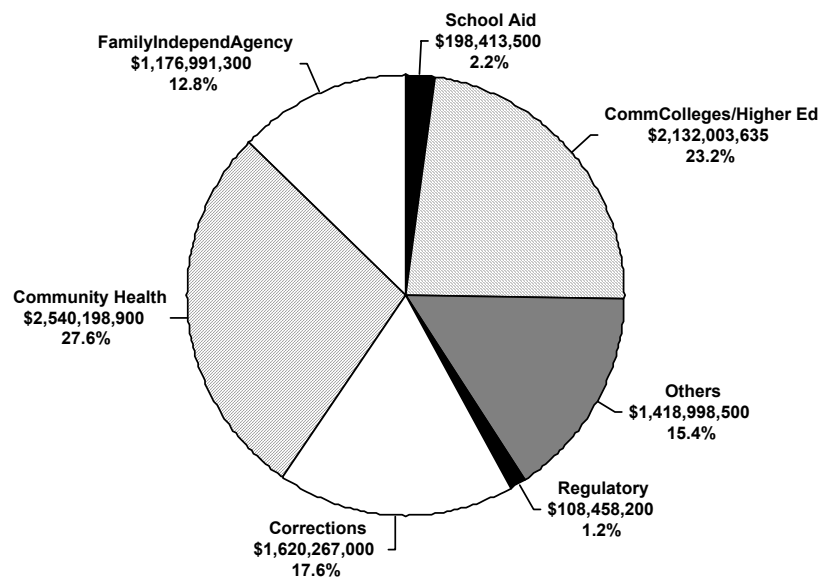
	FY 1998-99	FY 1999-2000	FY 2000-01	FY 2001-02	FY 2002-03
Federal	8,626.0	9,771.5	10,019.9	11,152.7	11,340.4
Local/Private/Other	6,049.6	6,505.9	6,885.9	7,256.4	7,162.9
School Aid	9,126.6	9,655.2	10,346.7	11,049.7	11,291.4
GF/GP	<u>9,302.6</u>	<u>9,607.2</u>	<u>9,744.6</u>	<u>9,197.4</u>	<u>9,195.3</u>
<b>Adjusted Gross</b>	<b>\$33,104.8</b>	<b>\$35,539.8</b>	<b>\$36,997.0</b>	<b>\$38,656.2</b>	<b>\$38,990.0</b>

Figure 2 (following) shows the distribution of FY 2002-03 YTD Adjusted Gross and GF/GP appropriations. For Adjusted Gross appropriations, School Aid (32.6%) and Community Health (23.9%) receive the largest shares. Of GF/GP appropriations, Community Health (27.6%), Community Colleges/Higher Education (23.2%), and Corrections (17.6%) receive the largest portions.

Figure 3 (following) illustrates the percent change from YTD FY 2001-02 to YTD FY 2002-03. The largest Adjusted Gross increase was for School Aid (11.0%); the largest Adjusted Gross decreases were for Education (79.0%) and Regulatory (22.5%). It should be noted that program transfers accounted for much of the decrease shown.

The largest GF/GP increase was for Capital Outlay (3.8%); the largest GF/GP decreases were Regulatory (14.4%), Environmental Quality (13.4%), and Education (11.4%). Most of the decreases shown were due to funding or program reductions or shifts.

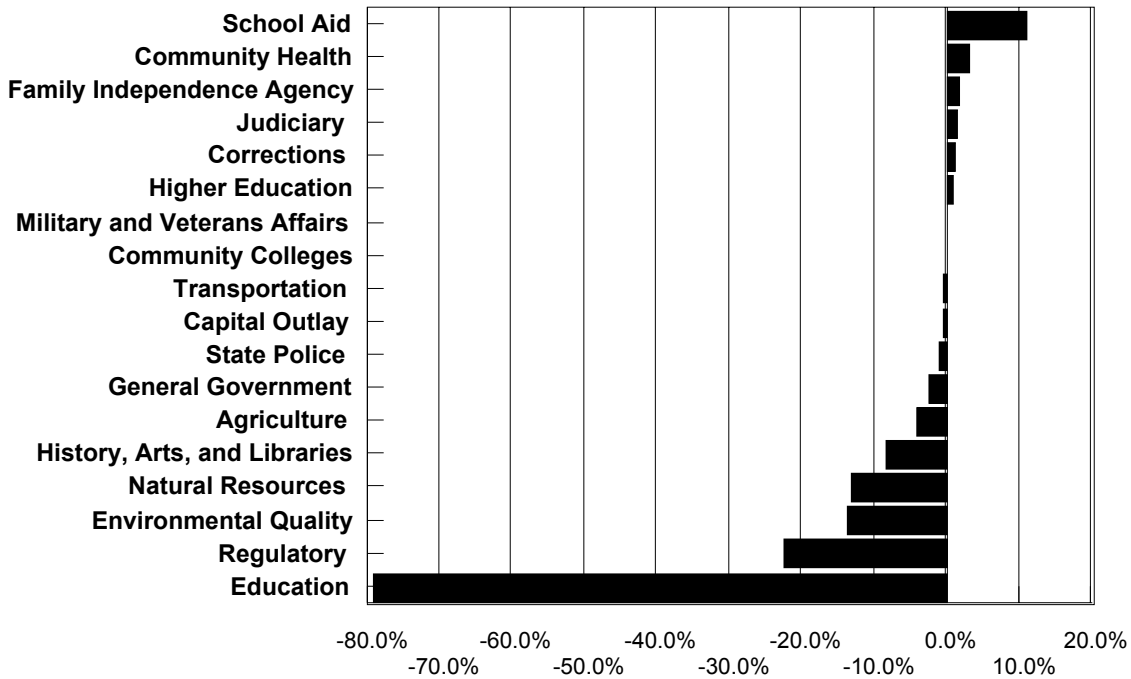
Figure 2

**Adjusted Gross Appropriations: FY 2002-03****Total Adjusted Gross: \$38,990,027,385****GF/GP Appropriations: FY 2002-03****Total GF/GP: \$9,195,331,035**

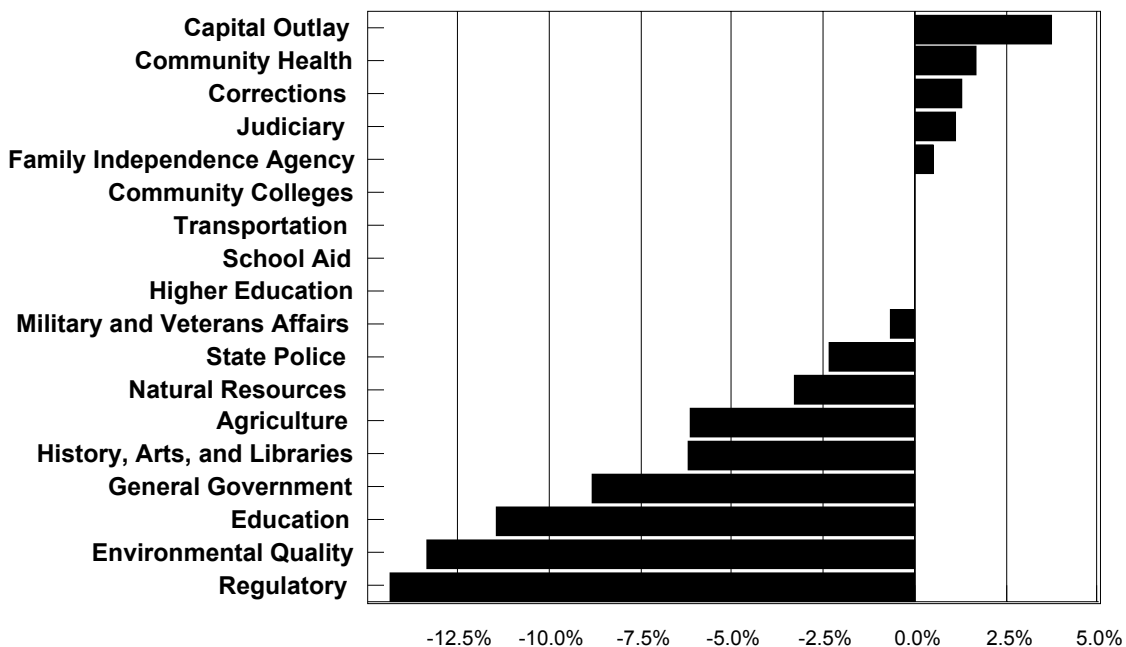
**NOTE:** \$925.0 million in new and existing federal funds were transferred to School Aid from the Department of Education budget

**Figure 3**

**ADJUSTED GROSS APPROPRIATIONS  
FY 2002-03 YTD Percent of Change from FY 2001-02 YTD**



**GF/GP APPROPRIATIONS  
FY 2002-03 YTD Percent of Change from FY 2001-02 YTD**



## EARLY RETIREMENT PLAN OVERVIEW

Public Act 93 of 2002 implemented an Early Retirement Plan (ERP) for state employees in the Defined Benefit (DB) plan that very closely resembled the Governor's plan announced earlier in 2002. Based on the 7,881 Executive Branch employees who opted for this plan and a general 1-for-4-replacement policy, GF/GP savings of \$49.0 million was recognized across all Executive Branch departments. Provisions of the ERP Act are as follows:

- Establishes a one-time, 80-and-out early retirement window for most classified Executive Branch employees, certain covered corrections employees, unclassified employees, and employees of the Judicial and Legislative branches.
- Requires that a member attain a total of 80 years combining age and service credit during the July 1 through November 1, 2002, window. A member must file for retirement between April 1 and April 30 and then has until May 15, 2002, to withdraw the application, or seven days after rejection of an employment extension request.
- Provides a one-time incentive to retire by increasing the multiplier used to determine the annual pension benefit from the current 1.5% of Final Average Compensation to 1.75%. This represents an increase of 16.7% to the pension benefit.
- Allows employees who voluntarily transferred from the Tier I (DB) plan to the Tier II plan to retire during this window and receive an annuity. The annuity is based only on the increase in the multiplier (0.25%).
- Conservation Officers and the Michigan State Police are not eligible to participate in this ERP.
- Some retirement dates may be deferred for up to 15 months under certain circumstances.

Negative line items for each department have been put in place with the stipulation that Legislative transfers will be required as specific program savings are identified.

### Early Retirement Summary (Thousands of Dollars)

	# of Early Retirees	Non-DIT* GF/GP Savings	DIT GF/GP Savings	Total Savings
Agriculture	76	(\$1,292.3)	(\$23.2)	\$(1,315.5)
Attorney General	58	(1,062.2)	(18.8)	(1,081.0)
Career Development	179	(466.9)	(108.3)	(575.2)
Civil Rights	36	(837.0)		(837.0)
Civil Service	31	(81.5)	(144.0)	(525.5)
Community Health	1037	(4,732.4)	(661.2)	(5,393.6)
Consumer & Industry Services	820	(1,454.7)	(176.9)	(1,631.6)
Corrections	608	(6,973.4)	(618.4)	(7,591.8)
Education (includes CEPI)	78	(617.0)	(104.9)	(721.9)
Environmental Quality	168	(1,316.2)	(164.7)	(1,480.9)
Executive Office	1	(36.5)		(36.5)
Family Independence Agency	2689	(20,368.6)	(933.1)	(21,301.7)
History, Arts, and Libraries	15	(146.2)		(146.2)
Information Technology (DIT)	343	0.0	0.0	0.0
Judiciary	47	(891.1)		(891.1)
Management and Budget (includes SBO & OSE)	240	(485.5)	381.9	(102.6)
Michigan Strategic Fund	30	(895.1)		(895.1)
Military and Veterans Affairs	101	(463.1)		(463.1)
Natural Resources	232	(1,161.5)	107.7	(1,269.2)
State	246	(478.7)	(116.1)	(594.8)
State Police	132	601.9	(600.8)	1.1
Transportation	491	0.0	0.0	0.0
Treasury (includes Gaming & Lottery)	250	(2,050.5)	(105.9)	(2,156.4)
<b>TOTAL</b>	<b>7,908</b>	<b>(\$45,507.5)</b>	<b>(\$3,502.1)</b>	<b>(\$49,009.6)</b>

\* DIT is Department of Information Technology

**RESOURCES USED IN ENACTED YEAR-TO-DATE BUDGET**

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Resources used to fund General Fund/General Purpose and School Aid Fund expenditures in the year-to-date budget are reported below. An explanation of each source is included.

**GENERAL FUND/GENERAL PURPOSE**  
(Millions of Dollars)

FY 2002-03 Consensus Revenue Estimate (adjusted)	\$8,613.2
Budget Stabilization Fund Withdrawal	\$207.0
Transfer Merit Award Surplus to General Fund/General Purpose	\$100.0
Michigan Employment Security Contingent Fund Transfers and Carryforward from FY 2001-02	\$79.5
Other Fund Shifts	\$60.0
Reduce Local Revenue Sharing Payments	\$120.6
Proposed Changes to State Diesel Fuel Tax	\$3.0
Increase Cigarette Tax and Carryforward FY 2001-02 Increase	<u>\$35.0</u>
<b>Total</b>	<b>\$9,218.3</b>

**FY 2002-03 Consensus Revenue Estimate**

Revenue estimates agreed to by the Consensus Conference in May 2002, adjusted for a freeze in the scheduled single business tax rate reduction and the enacted increase in the cigarette tax.

**Budget Stabilization Fund Withdrawal**

Transfer of \$207.0 million from the Budget Stabilization Fund (BSF) to support GF/GP expenditures.

**Transfer Merit Award Surplus to GF/GP**

Trust fund that receives 75% of tobacco settlement revenue and funds State Merit Awards. Enacted budget transfers \$100.0 million surplus to GF/GP.

**Michigan Employment Security Contingent (MESC) Fund Withdrawal**

Primarily penalty and interest charges imposed on employers delinquent in making unemployment contributions. A \$79.5 million transfer to GF/GP in FY 2001-02 is carried forward to be used in FY 2002-03.

**Other Fund Shifts**

Includes a \$50.0 million federal fund shift to pay for homestead property tax credits and \$10 million (legislation required) from the Michigan Employment Security Contingent Fund.

**Reduce Local Revenue Sharing Payments**

As enacted, statutory payments to local units based on sales tax collections would not increase in FY 2002-03. As a result, GF/GP resources would increase \$120.6 million.

**Proposed Changes to State Motor Carrier Fuel Tax Act**

Adds a 6% consumption tax to diesel fuel to be distributed in the same manner as state use tax; GF/GP would receive approximately \$3.0 million in FY 2002-03.



**SCHOOL AID BUDGET**  
**(Millions of Dollars)**

Beginning Fund Balance	\$215.2
FY 2002-03 Consensus Revenue Estimate	\$10,535.6
General Fund/General Purpose Grant to School Aid Fund	\$198.4
Budget Stabilization Fund Transfer for Durant Settlement	\$32.0
Advance State Education Tax Collections	\$475.0
Federal Aid	<u>\$1,219.8</u>
<b>Total</b>	<b>\$12,676.0</b>

**School Aid Fund Beginning Fund Balance**

Includes \$350.0 million from BSF to SAF in FY 2001-02 to balance FY 2001-02 budget and provide additional revenue to support FY 2002-03 spending plan.

**General Fund/General Purpose Grant to School Aid Fund**

Transfers \$198.4 million from GF/GP to SAF to support FY 2002-03 spending plan that was contingent upon \$79.5 million MESF Fund transfer to GF/GP.

**Budget Stabilization Fund Transfer for Durant Settlement**

Annual transfer as part of Durant settlement regarding state funding for special education.

**Advance State Education Tax Collections**

The 6-mill state education tax was reduced to 5 mills in 2003 only and will be collected early beginning with summer 2003 collections. Results in a one-time \$475.0 million increase in SAF resources.

**Federal Aid**

Includes federal grants previously appropriated in Department of Education budget that were transferred to School Aid Budget, and new federal money appropriated by the (federal) Elementary and Secondary Education Act.

## APPROPRIATIONS FROM TOBACCO SETTLEMENT FUNDS: FY 2002-03

<u>Department and Program</u>	<u>Trust Fund</u>	<u>Amount</u>
<b><u>Career Development</u></b>		
<b>Council of Michigan Foundations:</b> Grant to the Council is redistributed to community foundations across the state for local initiatives dealing with youth and senior health issues.	Tobacco Settlement	\$4,000,000
<b><u>Community Colleges</u></b>		
<b>Postsecondary Access Student Scholarship Program (PASS):</b> Finance postsecondary education for qualifying students at community colleges.	Merit Award	2,000,000
<b><u>Community Health</u></b>		
<b>Office of Services to the Aging - Long-Term Care Advisor:</b> Funding for the Office of Long-Term Care Advisor and a public information and awareness campaign regarding long term care planning, insurance, and services.	Tobacco Settlement	761,000
<b>Office of Services to the Aging - Respite Care:</b> Supports in-home or adult day care of elderly persons, to provide respite for regular at-home care givers.	Tobacco Settlement	5,000,000
<b>Medical Services - EPIC Program:</b> Provides coverage for prescription medications to senior citizens with incomes up to 200% of the poverty level.	Tobacco Settlement	30,000,000
<b>Medical Services - Long-Term Care Services:</b> Supports the personal needs allowance increase from \$30 to \$60 per month for Medicaid patients in nursing homes.	Tobacco Settlement	5,000,000
<b>Medicaid Base Funding:</b> Replaces state GF/GP match required for ongoing Medicaid program funding needs.	Tobacco Settlement	30,007,200
<b><u>Higher Education</u></b>		
<b>Michigan Merit Award Program:</b> Provides merit scholarships to high school graduates with a high qualifying score on the MEAP test.	Merit Award	114,323,850
<b>Rare Isotope Accelerator:</b> Provides funding from the Tobacco Settlement Trust Fund to support design and architectural study efforts to enable Michigan State University to become the national location of this federally-funded research facility.	Tobacco Settlement	\$2,000,000
<b>Tuition Incentive Program:</b> Two-phase program to encourage low-income students to graduate from high school; phase I provides qualifying students with up to two years of free tuition at a community college; phase II provides qualifying students with up to \$2,000 toward tuition at a community college or four-year university.	Merit Award	5,250,000
<b>Nursing Scholarship Program:</b> New program to be administered by Michigan Higher Education Assistance Authority to provide awards to nursing students who agree to work in Michigan after licensure.	Merit Award	4,000,000
<b><u>Michigan Strategic Fund</u></b>		
<b>Health and Aging Research and Development Initiative:</b> Provide grants to Michigan universities and private research facilities to conduct research (including collaborative research) in the area of life sciences; commercialize innovations discovered or developed through the research.	Tobacco Settlement	45,000,000

### Treasury

<u>Department and Program</u>	<u>Trust Fund</u>	<u>Amount</u>
<b>Michigan Merit Awards Commission/Michigan Educational Assessment Program (MEAP) Test Administration:</b> Administration of the Michigan Merit Award Scholarship provided to eligible high school students. Administration of the MEAP test given to 4th, 5th, 7th, 8th, and 11th grades as required by the revised school code.	Merit Award	18,134,200
<b>Department of Information Technology</b>	Merit Award	393,000
<b>Tuition Incentive Program:</b> Administration of the Tuition Incentive Program.	Merit Award	363,400
<b>Michigan Education Savings Plan:</b> Create a savings plan to give Michigan families an incentive to save for higher education through a combination of tax deductions and state matching grants.	Merit Award	<u>1,000,000</u>
<b>Subtotal Tobacco Settlement Appropriations</b>		<b>\$267,232,650</b>
<b>Transfer to GF/GP:</b> Transfer \$100.0 million from Merit Award Trust Fund to GF/GP	Merit Award	<u>\$100,000,000</u>
<b>TOTAL Tobacco Settlement Appropriations</b>		<b>\$367,232,650</b>

## ACROSS-THE-BOARD ECONOMIC/INFLATION CHANGES

Across-the-board adjustments are associated with employee wage and fringe benefit increases and inflationary increases in the costs for supplies, materials, equipment etc.

### SALARIES AND WAGES:

(classified and unclassified by bargaining unit)

**% Base Pay Increase  
over FY 2002**

**NOTE: It is assumed that the FY 2002 lump sum payment of \$375 was included in the FY 2001 appropriated base.**

SEIU Coalition: MCO, MPES, Local 31-M Security (Scientific & Engineering Human Services Support)	2%
UTEA (Technical)	2%
UAW (Human Services and Administrative Support)	2%
MSEA (Labor & Trades, Safety & Regulatory)	2%
AFSCME (Institutional)	2%
MSPTA (State Police Enlisted)	2%
NERES and MSC (Non-bargaining Employees)	2%
POAM (Safety & Regulatory)	2%
Unclassified	2%
SOCC*	2%

### RETIREMENT PLANS

(calculated using the retirement base; also includes FICA at 7.65%)

**% Salary and Wages**

Regular - Code 4	20.33%
Supplemental - Correctional Officers - Code 1	22.09%
Conservation Officers - Code 26	23.07%
State Police Enlisted - No social security/medicare - Code 2	40.07%
State Police Enlisted - No social security/medicare - Code 17	41.52%
Defined Contribution Plan (including FICA) - Code 40	22.35%

**INSURANCES FOR EMPLOYEES** (weighted average for all insurances; increase over prior year) 0.00%

**WORKERS' COMPENSATION** See Note 1

**BUILDING OCCUPANCY CHARGES** See Note 2

### INSTITUTIONS ONLY

Food (increase over prior year)	3.00%
Fuel oil and coal (increase over prior year)	3.00%
Utilities: Electric and Natural Gas (increase over prior year)	3.00%

NOTES: 1. % Salary and Wages calculated on estimates by Risk Management

2. Determined by DMB Administrative Services

3. SOCC economics assumption at 2%, effective January 1, 2003

## CHANGES BY BUDGET AREA

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Following are highlights of major features and changes in the FY 2002-03 budget.

### EDUCATION

#### Community Colleges

- Zero increase for operations
- Increase of \$136,000 GF/GP to reimburse certain colleges for tax revenue loss

#### Education

- Increase of \$946,900 GF/GP to reimburse schools for meals served to students
- Increase of \$100,000 restricted to provide safety education training
- Increase of \$200,000 restricted to purchase safety education motorcycles
- Increase of \$50,000 restricted to fund scholarships under the National Board Certification program
- Decrease of more than \$1.0 million GF/GP due to budgetary and early retirement savings
- Transfer \$925.0 million in new and existing federal funds to School Aid that otherwise would have been appropriated in the Department of Education budget

#### Higher Education

- University base operational funding set at same level as in FY 2001-02
- Resident undergraduate tuition/fee increase restrained to \$425 or 8.5% of 2001-02 level, whichever is higher
- New nursing scholarship program funded at \$4.0 million (Michigan Merit Award Trust Fund)
- Rare Isotope Accelerator design and architectural study funded at \$2.0 million (Tobacco Settlement Trust Fund)

#### School Aid

- Increase the FY 2002-03 per-pupil foundation allowance by \$200 to \$6,700
- Roll \$26.7 million School Aid Fund (SAF) in small class-size grants into the FY 2002-03 foundation allowance for eligible districts
- Appropriate \$15.0 million in SAF funds to the Detroit Public Schools to be rolled into the district's foundation allowance beginning in FY 2002-03
- Add several provisions allowing the state to use Discretionary Funds in Sec. 22b to pay for lawsuits against the state by school districts
- Fund the Adolescent Health Centers at \$3.7 million from At-Risk funds
- Receive transfer of \$925.0 million in new and existing federal funds from Department of Education (DOE) that otherwise would have been appropriated in the Department of Education budget

### GENERAL GOVERNMENT

#### Attorney General

- Increase \$351,800 (Tobacco Settlement Trust Fund) and 3.0 FTE positions to perform ongoing legal work and activities related to the Tobacco Master Settlement Agreement
- Reduce GF/GP by \$1.4 million to reflect savings anticipated to result from implementation of the 2002 early retirement program and from imposing a hiring freeze and other administrative efficiencies

**Civil Rights**

- Reduce GF/GP by \$981,200 to reflect savings anticipated to result from implementation of the 2002 early retirement program and from imposing a hiring freeze and other administrative efficiencies

**Civil Service**

- Increase \$15,000 GF/GP for costs of the biennial meetings of the State Officers Compensation Commission
- Increase \$2.0 million IDG Training Charges for additional leadership development and executive training
- Decrease due to savings anticipated to occur as a result of the early retirement program and the 1% reduction from the Executive recommendation; Gross \$632,100; GF/GP \$525,600 and \$106,500 respectively

**Executive**

- Increase \$5,500 GF/GP to cover costs associated with salary increases provided by SOCC for the Governor and Lieutenant Governor
- Reduce GF/GP by \$86,900 to reflect savings anticipated to result from implementation of the 2002 early retirement program and from imposing a hiring freeze and other administrative efficiencies

**Information Technology**

- Transfer information technology-related funding and FTE positions, \$426.8 million IDG User Fees and 1,774.2 FTEs respectively, from other Executive branch departments and agencies to the new Department of Information Technology
- Appropriate \$9.3 million IDG User Fees in administrative savings taken as a result of consolidating functions and resources to further fund e-Michigan initiatives
- Reduce IDG User Fees funding by \$3.5 million to reflect savings anticipated to result from implementation of the 2002 early retirement program and from imposing a hiring freeze and other administrative efficiencies

**Legislature**

- Increase \$712,600 GF/GP for the Senate line item
- Increase \$1.1 million GF/GP for the House of Representatives line item
- Increase \$1.1 million (State Services Fee Fund) to cover baseline operating costs in the Office of the Auditor General
- Reduce GF/GP by \$2.4 million to reflect the 1.0% across-the-board reduction to the Legislature budget

**Management and Budget**

- Increase \$14.7 million IDG and 17.0 FTE positions for rent and operational costs associated with continued implementation of the state space plan
- Increase \$4.8 million state restricted funding for tightened security at state buildings
- Increase \$3.2 million state restricted funding for costs associated with providing new leased parking areas for employees and for construction/maintenance of the Roosevelt parking ramp
- Reduce state restricted funding by \$8.0 million based on completion of the retirement technology project
- Reduce GF/GP by \$536,400 to reflect savings anticipated to result from implementation of the 2002 early retirement program and from imposing a hiring freeze and other administrative efficiencies

**State**

- Decrease in the Branch Operations appropriation line to recognize administrative savings; reduction of \$1.0 million
- Decrease due to savings anticipated to occur as a result of the early retirement program and the 1% reduction from

the Executive recommendation; Gross \$772,300; GF/GP \$594,900 and \$177,400 respectively

- Establish \$1.0 million State Services Fee Fund support for development and implementation of a vertical driver license and ID card program - **VETOED** Legislative **veto override** restored the funding.
- Increase \$40.0 million IDG from MDOT, recognizing increased Michigan Transportation Fund support authorized in Executive Order 2001-9

## Treasury

### **Operations**

- Establish \$10.7 million in federal funds for assessment testing requirements in grades 3-8 associated with the federal "No Child Left Behind Act of 2001"
- Change in Method of Funding: Replace \$8.0 million in GF/GP with an equal amount IDG from MDOT, Michigan Transportation Fund support for the collection of motor fuel taxes consistent with the authorizing provision in Executive Order 2001-9
- Establish \$2.2 million in IDG from MDOT, Michigan Transportation Fund authorization for the implementation of an electronic motor fuel tax simplification system
- Increase \$1.5 million State Lottery Fund revenue to be used for the purchase of a new lottery game, Changeplay, and for the lease or purchase of instant lottery ticket vending machines
- Decrease due to savings anticipated to occur as a result of the early retirement program and the 1% reduction from the Executive recommendation; Gross \$2.7 million; GF/GP \$2.2 million and \$542,900 respectively
- FY 2001-02 Supplemental Budget Item: Decrease authorization that was to be used for improvements to the Michigan Educational Assessment Program (MEAP) test and the creation of a database to contain test scores, track test attempts and track qualifying students; reduction of \$2.5 million Merit Award Trust Fund
- Change in Method of Funding: Replace \$240,000 GF/GP within the Pari-mutuel Audits appropriation line with a like amount of State Services Fee Fund revenue
- Establish \$1.5 million GF/GP to fund administration of the tax amnesty program

### **Revenue Sharing/Debt Service**

- Decrease debt servicing obligations due to savings created by the refunding of existing bond obligations and the restructuring of debt payments; reduction of \$41.0 million GF/GP
- Establish \$9.9 million GF/GP of one-time grants to local units of government to offset negative impacts of revenue sharing distribution in FY 2002-03 - **VETOED** Legislative **veto override** restored the funding.
- Increase \$6.8 million Sales Tax revenue authorization for Constitutional Revenue Sharing based on the May 2002 Revenue Estimating Conference
- Decrease Statutory Revenue Sharing authorization based on the May 2002 Revenue Estimating Conference; decrease of \$23.8 million - **VETOED**. The Governor **VETOED** all of Statutory Revenue Sharing; decrease of \$868.0 million Sales Tax. Legislative **veto override** restored the funding.

## **HUMAN SERVICES**

### Community Health

- Increase of \$434.9 million for Medicaid Mental Health/Substance Abuse, Children's Special Health Care Services, and Medical Services due to caseload growth, inflation, and utilization changes - **PARTIALLY VETOED**
- Increase of \$118.0 million for Medicaid Mental Health Services which includes a 5% net increase in capitation payment for CMHSPs financed through a provider quality assurance assessment fee - **VETOED**
- \$8.8 million increase for CMHSP Purchase of State Services Contracts to partially cover "new" local revenue that

## OVERVIEW

would have been realized from CMHSPs for utilization of state hospitals and centers - **VETOED**

- \$1.0 million savings for Community Substance Abuse Prevention, Education, and Treatment programs; however, the administrative responsibility for these programs is not transferred from coordinating agencies to CMHSPs
- Reduce Healthy Michigan (HMF) funded projects by \$17.2 million. Funding is partially replaced with GF/GP funds or additional available HMF. Sec. 263 restores funding levels of most of these projects due to a cigarette tax increase pursuant to 2002 PA 503
- Increase of \$10.6 million in federal funds for public health and hospital bioterrorism preparedness and response programs - **PARTIALLY VETOED**
- Appropriations for Long-Term Care, Home and Community Based Services, Adult Home Help, Personal Care Services, and Health Maintenance Organizations - **VETOED**
- No increase for Medicaid payment rates except for HMOs and nursing homes financed through provider assessments in 2002 PAs 303 and 304
- Increase \$115.0 million federal to expand the EPIC program based on the proposed Medicare Low Income Drug Assistance Initiative and the Medicaid Pharmacy Plus Waiver. Tobacco settlement revenue and restricted funds for EPIC are reduced by \$20.0 million
- Provide \$191.1 million for the MIFamily Plan to extend Medicaid coverage for up to 222,000 low income persons including parents of Medicaid eligible children, pregnant women, and other uninsured adults. The program is financed with federal and state Medicaid funds, unspent federal SCHIP allocations, state and local indigent care monies, and state non-Medicaid mental health services funds. A 3.9% increase in Medicaid mental health services payment rates is also included in the MIFamily financing plan - **IMPLEMENTATION DELAYED**
- Withdraw \$261.7 million from the Medicaid Benefits Trust Fund to cover the federal Medicaid match rate reduction, caseload growth, the loss of special financing GF/GP savings and an additional \$15.0 million based on the target agreement for DCH
- 1% GF/GP budgetary savings of \$25.6 million
- Net early retirement savings of \$5.4 million

## Corrections

- Increase \$7.3 million GF/GP for prisoner health care
- Increase \$19.1 million GF/GP for about 2,500 additional prison beds expected to be opened by the end of FY 2002-03
- Increase \$2.0 million GF/GP for third-year step funding for Pugsley Correctional Facility
- Federal revenue replacement: \$1.7 million GF/GP to replace anticipated loss of federal funds received under the State Criminal Alien Assistance Program
- Decrease of \$16.6 million GF/GP, representing the further decreases necessary to annualize the partial-year savings effected for FY 2001-02 by Executive Order 2001-9
- Decrease of \$7.6 million GF/GP, representing savings to be achieved through 2002 early retirement program for state employees

## Family Independence Agency

- Increase \$26.6 million gross, \$9.8 million GF/GP, in Adoption Subsidies to cover projected caseload spending growth
- Reduce \$63.4 million gross, \$19.5 million GF/GP, in foster care services lines due to projected caseload movement and decrease; also reflects removal of federal and local authority to meet anticipated fund source needs



- Increase \$28.6 million gross, \$26.3 million GF/GP, in the Child Care Fund due to funding of more delinquency cases in this account instead of through foster care accounts
- Add \$24.4 million gross, \$20.0 million GF/GP, net in Family Independence Program; increase of \$33.0 million gross, \$20.0 million GF/GP, directly related to a 4,700 caseload increase and an anticipated \$6 monthly cost per case increase. Decrease of \$8.6 million TANF reflects a reduction in the annual clothing allowance from \$75 per child to \$25 per child
- Increase \$220.2 million federal in Food Assistance Program Benefits (Food Stamp Program) to cover projected caseload spending growth
- Add \$23.0 million federal for the Homestead Property Tax Credit, bringing the total for FY 2002-03 to \$50.0 million
- Increase \$23.0 million GF/GP to maximize usage of available federal Child Care Development Fund (CCDF) revenue and reduce TANF spending
- Decrease \$21.3 million GF/GP to reflect Early Retirement Savings
- FY 2001-02 Supplemental Budget Items (HB 4373):
  - Increase \$20.0 million TANF for Homestead Property Tax Credit
  - Add \$15.0 million GF/GP to cover Family Independence Program caseload spending growth

**REGULATORY****Career Development**

- Funding Shift: Replace \$72.1 million in federal Temporary Assistance for Needy Families (TANF) and Workforce Investment Act (WIA) revenues with federal Reed Act funding (appropriated in FY 2001-02 supplemental) to support welfare-to-work and other job readiness activities
- Funding Shift: Replace \$1.0 million GF/GP with federal Workforce Investment Act dollars to subsidize operation of Michigan Works! Service Centers
- Funding Shift: Replace \$5.0 million GF/GP with federal Workforce Investment Act dollars to support job training programs provided by Focus:HOPE
- Increase \$1.0 million in federal Workforce Investment Act revenue to finance Michigan Virtual University's technology-based education initiatives
- Increase \$3.0 million federal to support new Gear-Up grant program aimed at increasing number of at-risk youth that attend college
- Increase \$25,000 GF/GP to support Michigan's centers for independent living

**Consumer and Industry Services**

- \$7.4 million GF/GP and restricted for fire protection grants to local units of government that provide fire protection to state-owned facilities - **VETOED** Funding was subsequently restored; see Transportation section
- Funding Shift: Replace \$10.0 million in Employment Security Contingent Fund revenue with federal Reed Act funding (appropriated in FY 2001-02 supplemental) to finance Unemployment Agency programs
- Increase \$2.5 million restricted to expand consulting activities related to financially troubled insurers and HMOs and to expand examinations of consumer lenders and investment advisors
- Increase \$998,600 restricted to support nine new boiler and elevator inspectors and related technology
- Increase \$450,000 restricted to finance licensing of security guards, private detectives, and alarm system contractors; program transferred from Department of State Police

## OVERVIEW

- Increase \$373,000 restricted to support nursing scholarship program and to establish a Center for Nursing
- Increase \$6.0 million federal for the Section 8 rental subsidy program for eligible low-income individuals

### Michigan Strategic Fund

- Decrease of \$13.0 million GF/GP for Economic Development Job Training (EDJT) grants that support customized training programs for businesses
- Elimination of \$1.0 million GF/GP that had supported the Capital Access Program; program encouraged bank lending to small businesses; separate boilerplate appropriation of up to \$1.0 million in Michigan Core Communities Fund revenue for the program was **VETOED**
- Boilerplate change: Allows up to \$1.0 million of EDJT appropriation to be used to provide match for university federal research grants
- Boilerplate change: Revises current law to earmark at least 90% of the total EDJT appropriation to community colleges or partnerships that include a community college
- \$25,000 GF/GP earmark to support tourism promotion in the northeast region of the state - **VETOED**

## RESOURCE PROTECTION

### Agriculture

- Total net combined decrease of \$64,100 GF/GP for economic adjustments, reduction of 1997 early retirement payouts, and elimination of the GF/GP share for the U. P. State Fair
- Cigarette tax contingency restored \$670,100 in local soil conservation districts, food banks, and horse shows
- Negative appropriations based on projections for savings of early retirement participants and 1% reduction of Executive Recommendation totals \$1.7 million

### Environmental Quality

- \$8.5 million funding shift from GF/GP to the Environmental Response Fund (revenue from responsible party penalties and payments)
- \$2.5 million restricted to monitor the water quality of the Clinton River watershed and Lake St. Clair
- \$2.0 million restricted increase for national priority list land fill matching grants
- \$700,000 for orphan oil and gas well plugging and cleanup

### Natural Resources

- \$2.0 million GF/GP for bovine TB surveys of the deer herd
- \$1.7 million GF/GP deleted from Michigan Civilian Conservation Corps; Camp Vanderbilt to cease operations, but day services from Proud Lake Camp will continue
- \$1.2 million restricted funds to be spent for debt service on State Park Improvement Bonds

## SAFETY AND DEFENSE

### Military Affairs

- Appropriate \$2.0 million in increased federal revenue for maintenance at National Guard facilities
- Restore \$891,625 GF/GP in Executive Order reductions for grants to veterans service organizations and increase grant to Catholic War Veterans by \$27,900 GF/GP
- Offset \$500,000 GF/GP with \$500,000 in available federal Medicaid revenue
- Include negative appropriation of \$409,600 GF/GP for budgetary savings

- FY 2001-02 Supplemental Budget Items: \$891,625 GF/GP to restore executive order reductions for grants to veterans service organizations
- \$585,000 in available federal Medicaid and Medicare revenue; offset by \$585,000 GF/GP reduction

**State Police**

- Appropriate \$6.1 million in restricted revenue to reflect full year phase in of \$5 increase in traffic citation assessment for Secondary Road Patrol Grants; partially offset by elimination of remaining \$1.6 million GF/GP for grants
- Remove \$1.0 million GF/GP appropriation for concealed weapon licensure implementation
- Eliminate \$721,100 GF/GP grant to City of Detroit
- Appropriate \$2.8 million in increased federal revenue for antiterrorism equipment grants to locals
- Decrease various lines by \$3.4 million GF/GP to reflect savings from 40 vacant positions
- Include negative appropriation of \$2.9 million GF/GP for budgetary savings
- FY 2001-02 Supplemental Budget Item: \$1.3 million GF/GP to settle lawsuit against Department
- \$4.5 million in restricted revenue from \$5 increase in traffic citation assessment for Secondary Road Patrol Grants

**ALL OTHER****Capital Outlay**

- Provide \$287.2 million GF/GP for State Building Authority rent payments, which are \$16.0 million higher than the current year, or 6%. This is the result of project completions occurring this year and next
- Provide \$229.0 million gross of federal, state, and local monies to fund a variety of security and improvement projects at 90 local airports; including \$12.0 million for the Detroit Metro Midfield Terminal project
- Provide \$17.9 million gross to fund critical special maintenance projects for state agencies such as Corrections, State Police, State Parks, DCH, FIA, DMB, MDOT, and Military Affairs
- Provide \$9.0 million (Waterways Fund) to expand the state-owned marina on Mackinac Island
- Provide \$3.0 million (Trunkline Fund) to construct a new prototypical Welcome Center at Monroe

**History, Arts, and Libraries**

- Increase \$461,800 GF/GP and 4.0 FTEs representing transfer-in from three other departments which completes the consolidation of this new department
- Establish \$250,000 GF/GP, by reducing Arts and Cultural Grants, to manage the collection of shipwrecks in the bottomlands of the Thunder Bay National Marine Sanctuary and Underwater Preserve
- Eliminate one-time funding for the Arts and Cultural Supplemental Grants; reduction of \$2.0 million GF/GP
- Eliminate one-time funding for the Museum of African-American History; reduction of \$1.0 million GF/GP
- Change in Method of Funding: Replace \$64,800 and \$935,200 GF/GP, within the Grand Rapids Public Library and Detroit Public Library grants respectively, with an equal amount of federal Reed Act revenue to be used for unemployment benefit assistance
- Decrease due to savings anticipated to occur as a result of the early retirement program and the 1% reduction from the Executive recommendation; gross \$773,100; GF/GP \$146,300 and \$626,800 respectively

**Judiciary**

- Total net combined increase of \$4.0 million GF/GP for economic adjustments, reduction of 1997 early retirement payouts, and the reduction to offset the increase required for economic adjustments

## OVERVIEW

- Cigarette tax contingency restored \$670,100 in local soil conservation districts, food banks, and horse shows
- Negative appropriations based on projections for savings of early retirement participants and 1% reduction of Executive Recommendation totals \$1.7 million

## Transportation

- Increase \$48.9 million in Michigan Transportation Fund (MTF) interdepartmental grants to Departments of State and Treasury
- Eliminate \$35.0 million BSF transfer for Build Michigan III debt service
- New \$5.0 million debt service line for Airport Safety and Protection (ASAP) Plan bond program; contingent on passage of House Bill 4454 (airport parking tax)
- Earmark \$24.0 million in federal aid for local critical bridges—effectively \$6.0 million more than Executive recommendation
- Increase \$4.7 million for local bus operating assistance
- Does not include additional revenue from proposed amendments diesel tax statutes
- FY 2001-02 Supplemental:
  - Restore \$24.0 million in federal bridge funds vetoed in current year (2002 PA 530)—\$6.0 million for state trunkline program, \$18.0 million for local road agency programs
  - Add \$4.2 million state restricted for Local bus operating assistance, and \$190,000 in Specialized services—restoring funds cut in Executive Order 2001-9
  - Add \$5.4 million state restricted for rail freight preservation and development

## CONSENSUS REVENUE ESTIMATES

State law requires that the State Treasurer or the State Budget Director and the Directors of the Senate and House Fiscal Agencies meet at least twice a year to review and revise GF/GP and School Aid Fund revenue forecasts. A Consensus Revenue Estimating Conference was held on May 16, 2002, to revise estimated revenues for FY 2001-02 and reach a consensus on initial FY 2002-03 revenues. Budget recommendations for FY 2002-03 are based on this consensus agreement which anticipates that baseline GF/GP and SAF revenues will increase by 4.5% between fiscal years 2001-02 and 2002-03.

## STATE SPENDING RETURNED TO LOCAL GOVERNMENTS

Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. As shown in **Table 5** (page 26), the FY 2002-03 budget provides for \$16.2 billion in payments to local units of government, or 61.2% of the estimated \$26.5 billion in state spending from state resources — well within the constitutional requirement.

## STATE WORKFORCE CHANGES

**Table 4** (page 25) compares the number of full-time equated or FTE positions (classified and unclassified) between FY 2001-02 and FY 2002-03 year-to-date. Table 4 shows a decrease in total FTE positions from 64,379.6 in FY 2001-02 to 62,965.4 in FY 2002-03 — a decrease of 1,414.2 FTEs or 2.2%. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave and used sick leave) during the year.

## FY 2002-03 APPROPRIATIONS: SUMMARY TABLES

**Table 1** (following) details the FY 2002-03 year-to-date budget. When interdepartmental grants and intradepartmental transfers are deducted, Gross appropriations of \$39.8 billion reduce to \$39.0 billion in Adjusted Gross appropriations.

State Restricted	\$17,275,288,750
GF/GP	\$9,195,331,035
Federal	\$11,340,398,550
Local and Private	<u>\$1,179,009,050</u>
<b>Adjusted Gross</b>	<b>\$38,990,027,385</b>

**Table 2** (following) compares Adjusted Gross appropriations for FY 2001-02 YTD to FY 2002-03 YTD. Appropriations increase from \$38.7 billion in FY 2001-02 to \$39.0 billion in FY 2002-03 — a \$333.9 million or 0.86% growth.

**Table 3** (following) compares GF/GP appropriations for FY 2001-02 YTD to FY 2002-03 YTD. Appropriations increase from \$9.197 billion in FY 2001-02 to \$9.195 billion in FY 2002-03 — a decrease of \$2,027,440 or 0.02%.

**Table 4** (following) compares the number of Full-time Equated or FTE employees (classified and unclassified) for FY 2001-02 YTD to FY 2002-03 YTD. Fiscal Year 2002-03 YTD shows a change in total FTE positions from 64,379.6 in FY 2001-02 to 62,965.4 in FY 2002-03 — a decrease of 1,414.2 FTEs or 2.2%. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

**Table 5** (following) shows FY 2002-03 YTD enacted payments to local units of government compared to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2002-03 YTD budget provides for \$16.2 billion in state spending to local units of government, 61.2% of the estimated \$26.5 billion in state spending from state resources — well within the constitutional requirement.

OVERVIEW

TABLE 1

## FY 2002-03 YEAR-TO-DATE APPROPRIATIONS BY SOURCE OF FUNDS

<u>Department/Major Budget Area</u>	<u>Gross</u>	<u>IDGs and IDTs</u>	<u>Adjusted Gross</u>	<u>Federal Funds</u>	<u>Local Revenue</u>	<u>Private Revenue</u>	<u>State Restricted</u>	<u>General Fund/ General Purpose</u>
Community Colleges	321,732,319	0	321,732,319	0	0	0	2,000,000	319,732,319
Education	215,490,700	1,000,000	214,490,700	165,694,100	4,744,200	701,400	14,329,300	29,021,700
Higher Education	1,943,345,166	0	1,943,345,166	5,500,000	0	0	125,573,850	1,812,271,316
School Aid	12,710,380,100	0	12,710,380,100	1,219,825,200	700,000	0	11,291,441,400	198,413,500
<b>EDUCATION</b>	<b>\$15,190,948,285</b>	<b>\$1,000,000</b>	<b>\$15,189,948,285</b>	<b>\$1,391,019,300</b>	<b>\$5,444,200</b>	<b>\$701,400</b>	<b>\$11,433,344,550</b>	<b>\$2,359,438,835</b>
Attorney General	61,757,600	9,917,900	51,839,700	7,672,700	0	1,183,000	9,216,400	33,767,600
Civil Rights	14,367,700	0	14,367,700	934,000	0	0	0	13,433,700
Civil Service	31,585,200	5,300,000	26,285,200	4,779,100	1,700,000	150,000	9,639,200	10,016,900
Executive Office	5,399,500	0	5,399,500	0	0	0	0	5,399,500
Information Technology	424,006,800	424,006,800	0	0	0	0	0	0
Legislature	126,360,200	1,627,600	124,732,600	0	0	400,000	2,530,400	121,802,200
Management and Budget	188,098,300	109,548,100	78,550,200	358,600	0	0	35,355,300	42,836,300
State	180,055,800	96,493,000	83,562,800	1,319,500	0	100	65,274,200	16,969,000
Treasury: Operations	368,480,500	19,445,300	349,035,200	44,296,100	910,800	0	252,233,900	51,594,400
Treasury: Debt/Revenue Sharing	1,593,086,400	0	1,593,086,400	0	0	0	1,523,600,000	69,486,400
<b>GENERAL GOVERNMENT</b>	<b>\$2,993,198,000</b>	<b>\$666,338,700</b>	<b>\$2,326,859,300</b>	<b>\$59,360,000</b>	<b>\$2,610,800</b>	<b>\$1,733,100</b>	<b>\$1,897,849,400</b>	<b>\$365,306,000</b>
Community Health	9,397,514,700	69,172,900	9,328,341,800	5,002,000,200	946,584,600	64,736,600	774,821,500	2,540,198,900
Corrections	1,705,870,600	3,318,500	1,702,552,100	26,403,400	391,100	0	55,490,600	1,620,267,000
Family Independence Agency	4,074,490,500	978,800	4,073,511,700	2,754,318,050	66,956,700	9,856,850	65,388,800	1,176,991,300
<b>HUMAN SERVICES</b>	<b>\$15,177,875,800</b>	<b>\$73,470,200</b>	<b>\$15,104,405,600</b>	<b>\$7,782,721,650</b>	<b>\$1,013,932,400</b>	<b>\$74,593,450</b>	<b>\$895,700,900</b>	<b>\$5,337,457,200</b>
Consumer and Industry Services	547,480,500	111,100	547,369,400	241,911,500	0	770,000	268,711,600	35,976,300
Career Development	461,321,600	0	461,321,600	406,469,200	15,011,900	2,396,300	9,661,500	27,782,700
Michigan Strategic Fund Agency	153,656,500	100,900	153,555,600	62,953,300	0	853,100	45,050,000	44,699,200
<b>REGULATORY</b>	<b>\$1,162,458,600</b>	<b>\$212,000</b>	<b>\$1,162,246,600</b>	<b>\$711,334,000</b>	<b>\$15,011,900</b>	<b>\$4,019,400</b>	<b>\$323,423,100</b>	<b>\$108,458,200</b>
Agriculture	95,730,800	10,953,800	84,777,000	6,639,500	0	1,127,600	37,932,400	39,077,500
Environmental Quality	405,289,600	14,042,900	391,246,700	131,521,400	0	435,700	186,857,100	72,432,500
Natural Resources	255,822,000	3,437,900	252,384,100	30,427,300	0	1,793,700	176,338,800	43,824,300
<b>RESOURCE PROTECTION</b>	<b>\$756,842,400</b>	<b>\$28,434,600</b>	<b>\$728,407,800</b>	<b>\$168,588,200</b>	<b>\$0</b>	<b>\$3,357,000</b>	<b>\$401,128,300</b>	<b>\$155,334,300</b>
Military and Veterans Affairs	103,364,700	200,000	103,164,700	39,114,500	0	530,000	23,437,600	40,082,600
State Police	415,632,200	19,282,800	396,349,400	45,570,500	3,913,700	0	59,816,900	287,048,300
<b>SAFETY AND DEFENSE</b>	<b>\$518,996,900</b>	<b>\$19,482,800</b>	<b>\$499,514,100</b>	<b>\$84,685,000</b>	<b>\$3,913,700</b>	<b>\$530,000</b>	<b>\$83,254,500</b>	<b>\$327,130,900</b>
Capital Outlay	577,096,700	4,000,000	573,096,700	167,542,000	43,000,000	0	58,245,000	304,309,700
History, Arts, and Libraries	71,486,200	0	71,486,200	8,111,300	0	577,400	1,900,900	60,896,600
Judiciary	244,995,800	2,833,500	242,162,300	3,901,000	2,941,800	842,500	57,477,700	176,999,300
Transportation	3,091,900,500	0	3,091,900,500	963,136,100	5,800,000	0	2,122,964,400	0
<b>ALL OTHERS</b>	<b>\$3,985,479,200</b>	<b>\$6,833,500</b>	<b>\$3,978,645,700</b>	<b>\$1,142,690,400</b>	<b>\$51,741,800</b>	<b>\$1,419,900</b>	<b>\$2,240,588,000</b>	<b>\$542,205,600</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$39,785,799,185</b>	<b>\$795,771,800</b>	<b>\$38,990,027,385</b>	<b>\$11,340,398,550</b>	<b>\$1,092,654,800</b>	<b>\$86,354,250</b>	<b>\$17,275,288,750</b>	<b>\$9,195,331,035</b>

TABLE 2

**FY 2002-03 APPROPRIATIONS**  
**FY 2002-03 Year-to-Date Compared with FY 2001-02 Year-to-Date**

DEPARTMENT/MAJOR BUDGET AREA	ADJUSTED GROSS			
	FY 2001-02	FY 2002-03	FY 2002-03 vs 2001-02	
	YEAR-TO-DATE	YEAR-TO-DATE	AMOUNT DIFFERENT	PERCENT DIFFERENT
Community Colleges	321,662,319	321,732,319	70,000	0.0%
Education	1,019,419,300	214,490,700	(804,928,600)	-79.0%
Higher Education	1,925,842,366	1,943,345,166	17,502,800	0.9%
School Aid	11,451,113,400	12,710,380,100	1,259,266,700	11.0%
<b>EDUCATION</b>	<b>\$14,718,037,385</b>	<b>\$15,189,948,285</b>	<b>\$471,910,900</b>	<b>3.2%</b>
Attorney General	53,896,500	51,839,700	(2,056,800)	-3.8%
Civil Rights	15,618,400	14,367,700	(1,250,700)	-8.0%
Civil Service	26,788,340	26,285,200	(503,140)	-1.9%
Executive Office	5,480,900	5,399,500	(81,400)	-1.5%
Information Technology	0	0	0	0.0%
Legislature	124,237,800	124,732,600	494,800	0.4%
Management and Budget	87,506,300	78,550,200	(8,956,100)	-10.2%
State	83,554,300	83,562,800	8,500	0.0%
Treasury: Operations	343,309,100	349,035,200	5,726,100	1.7%
Treasury: Debt/RevenueShare	1,646,595,000	1,593,086,400	(53,508,600)	-3.2%
<b>GENERAL GOVERNMENT</b>	<b>\$2,386,986,640</b>	<b>\$2,326,859,300</b>	<b>\$(60,127,340)</b>	<b>-2.5%</b>
Community Health	9,038,199,666	9,328,341,800	290,142,134	3.2%
Corrections	1,681,872,100	1,702,552,100	20,680,000	1.2%
Family Independence Agency	4,002,408,600	4,073,511,700	71,103,100	1.8%
<b>HUMAN SERVICES</b>	<b>\$14,722,480,366</b>	<b>\$15,104,405,600</b>	<b>\$381,925,234</b>	<b>2.6%</b>
Consumer and Industry Services	644,368,600	547,369,400	(96,999,200)	-15.1%
Career Development	686,121,600	461,321,600	(224,800,000)	-32.8%
Michigan Strategic Fund Agency	169,390,600	153,555,600	(15,835,000)	-9.3%
<b>REGULATORY</b>	<b>\$1,499,880,800</b>	<b>\$1,162,246,600</b>	<b>\$(337,634,200)</b>	<b>-22.5%</b>
Agriculture	88,463,600	84,777,000	(3,686,600)	-4.2%
Environmental Quality	453,179,030	391,246,700	(61,932,330)	-13.7%
Natural Resources	290,372,600	252,384,100	(37,988,500)	-13.1%
<b>RESOURCE PROTECTION</b>	<b>\$832,015,230</b>	<b>\$728,407,800</b>	<b>\$(103,607,430)</b>	<b>-12.5%</b>
Military and Veterans Affairs	103,069,600	103,164,700	95,100	0.1%
State Police	400,096,600	396,349,400	(3,747,200)	-0.9%
<b>SAFETY AND DEFENSE</b>	<b>\$503,166,200</b>	<b>\$499,514,100</b>	<b>\$(3,652,100)</b>	<b>-0.7%</b>
Capital Outlay	575,934,500	573,096,700	(2,837,800)	-0.5%
History, Arts, and Libraries	77,857,200	71,486,200	(6,371,000)	-8.2%
Judiciary	238,444,000	242,162,300	3,718,300	1.6%
Transportation	3,101,366,500	3,091,900,500	(9,466,000)	-0.3%
<b>ALL OTHERS</b>	<b>\$3,993,602,200</b>	<b>\$3,978,645,700</b>	<b>\$(14,956,500)</b>	<b>-0.4%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$38,656,168,821</b>	<b>\$38,990,027,385</b>	<b>\$333,858,564</b>	<b>0.86%</b>

TABLE 3

**FY 2002-03 APPROPRIATIONS**  
**FY 2002-03 Year-to-Date Compared with FY 2001-02 Year-to-Date**

DEPARTMENT/MAJOR BUDGET AREA	GENERAL FUND / GENERAL PURPOSE			
	FY 2001-02	FY 2002-03	FY 2002-03 vs 2001-02	
	YEAR-TO-DATE	YEAR-TO-DATE	AMOUNT DIFFERENT	PERCENT DIFFERENT
Community Colleges	319,662,319	319,732,319	70,000	0.0%
Education	32,765,900	29,021,700	(3,744,200)	-11.4%
Higher Education	1,812,668,516	1,812,271,316	(397,200)	-0.0%
School Aid	198,413,500	198,413,500	0	0.0%
<b>EDUCATION</b>	<b>\$2,363,510,235</b>	<b>\$2,359,438,835</b>	<b>\$(4,071,400)</b>	<b>-0.2%</b>
Attorney General	35,475,300	33,767,600	(1,707,700)	-4.8%
Civil Rights	14,333,000	13,433,700	(899,300)	-6.3%
Civil Service	10,656,340	10,016,900	(639,440)	-6.0%
Executive Office	5,480,900	5,399,500	(81,400)	-1.5%
Information Technology	0	0	0	0.0%
Legislature	122,359,200	121,802,200	(557,000)	-0.5%
Management and Budget	43,868,200	42,836,300	(1,031,900)	-2.4%
State	17,798,700	16,969,000	(829,700)	-4.7%
Treasury: Operations	45,491,000	51,594,400	6,103,400	13.4%
Treasury: Debt/Revenue	105,295,000	69,486,400	(35,808,600)	-34.0%
<b>GENERAL GOVERNMENT</b>	<b>\$400,757,640</b>	<b>\$365,306,000</b>	<b>\$(35,451,640)</b>	<b>-8.8%</b>
Community Health	2,498,215,800	2,540,198,900	41,983,100	1.7%
Corrections	1,599,453,900	1,620,267,000	20,813,100	1.3%
Family Independence Agency	1,170,780,800	1,176,991,300	6,210,500	0.5%
<b>HUMAN SERVICES</b>	<b>\$5,268,450,500</b>	<b>\$5,337,457,200</b>	<b>\$69,006,700</b>	<b>1.3%</b>
Consumer and Industry Services	37,896,700	35,976,300	(1,920,400)	-5.1%
Career Development	28,602,700	27,782,700	(820,000)	-2.9%
Michigan Strategic Fund Agency	60,156,200	44,699,200	(15,457,000)	-25.7%
<b>REGULATORY</b>	<b>\$126,655,600</b>	<b>\$108,458,200</b>	<b>\$(18,197,400)</b>	<b>-14.4%</b>
Agriculture	41,631,000	39,077,500	(2,553,500)	-6.1%
Environmental Quality	83,613,700	72,432,500	(11,181,200)	-13.4%
Natural Resources	45,313,100	43,824,300	(1,488,800)	-3.3%
<b>RESOURCE PROTECTION</b>	<b>\$170,557,800</b>	<b>\$155,334,300</b>	<b>\$(15,223,500)</b>	<b>-8.9%</b>
Military and Veterans Affairs	40,346,100	40,082,600	(263,500)	-0.7%
State Police	293,870,000	287,048,300	(6,821,700)	-2.3%
<b>SAFETY AND DEFENSE</b>	<b>\$334,216,100</b>	<b>\$327,130,900</b>	<b>\$(7,085,200)</b>	<b>-2.1%</b>
Capital Outlay	293,253,500	304,309,700	11,056,200	3.8%
History, Arts, and Libraries	64,920,600	60,896,600	(4,024,000)	-6.2%
Judiciary	175,036,500	176,999,300	1,962,800	1.1%
Transportation	0	0	0	0.0%
<b>ALL OTHERS</b>	<b>\$533,210,600</b>	<b>\$542,205,600</b>	<b>\$8,995,000</b>	<b>1.7%</b>
<b>TOTAL APPROPRIATIONS</b>	<b>\$9,197,358,475</b>	<b>\$9,195,331,035</b>	<b>\$(2,027,440)</b>	<b>-0.02%</b>



TABLE 4

**FULL-TIME EQUATED POSITIONS\***  
**FY 2002-03 Year-to-Date Compared with FY 2001-02 Year-to-Date**

<u>DEPARTMENT/MAJOR BUDGET AREA</u>	<u>FY 2001-02 YEAR-TO-DATE</u>	<u>FY 2002-03 YEAR-TO-DATE</u>	<u>FY 2002-03 vs. FY 2001-02</u>	
			<u>AMOUNT DIFFERENT</u>	<u>PERCENT DIFFERENT</u>
Community Colleges	0.0	0.0	0.0	0.0%
Education	461.0	442.1	(18.9)	-4.1%
Higher Education	1.0	1.0	0.0	0.0%
School Aid	0.0	0.0	0.0	0.0%
<b>EDUCATION</b>	<b>462.0</b>	<b>443.1</b>	<b>(18.9)</b>	<b>-4.1%</b>
Attorney General	601.0	592.5	(8.5)	-1.4%
Civil Rights	171.5	163.5	(8.0)	-4.7%
Civil Service	230.5	201.5	(29.0)	-12.6%
Executive Office	85.0	84.2	(0.8)	-0.9%
Information Technology	0.0	1,771.4	1,771.4	0.0%
Legislature	0.0	0.0	0.0	0.0%
Management and Budget	925.5	854.5	(71.0)	-7.7%
State	1,979.3	1,853.8	(125.5)	-6.3%
Treasury: Operations	2,004.5	1,861.5	(143.0)	-7.1%
Treasury: Debt/Revenue Sharing	0.0	0.0	0.0	0.0%
<b>GENERAL GOVERNMENT</b>	<b>5,997.3</b>	<b>7,382.9</b>	<b>1,385.6</b>	<b>23.1%</b>
Community Health	6,207.1	5,672.3	(534.8)	-8.6%
Corrections	19,406.5	18,843.9	(562.6)	-2.9%
Family Independence Agency	13,505.6	12,501.1	(1,004.5)	-7.4%
<b>HUMAN SERVICES</b>	<b>39,119.2</b>	<b>37,017.3</b>	<b>(2,101.9)</b>	<b>-5.4%</b>
Consumer and Industry Services	4,242.9	4,012.4	(230.5)	-5.4%
Career Development	1,147.0	1,095.0	(52.0)	-4.5%
Michigan Strategic Fund	234.0	231.5	(2.5)	-1.1%
<b>REGULATORY</b>	<b>5,623.9</b>	<b>5,338.9</b>	<b>(285.0)</b>	<b>-5.1%</b>
Agriculture	653.5	672.2	18.7	2.9%
Environmental Quality	1,678.7	1,596.7	(82.0)	-4.9%
Natural Resources	2,183.5	2,081.5	(102.0)	-4.7%
<b>RESOURCE PROTECTION</b>	<b>4,515.7</b>	<b>4,350.4</b>	<b>(165.3)</b>	<b>-3.7%</b>
Military and Veterans Affairs	1,090.5	1,079.0	(11.5)	-1.1%
State Police	3,651.5	3,448.5	(203.0)	-5.6%
<b>SAFETY AND DEFENSE</b>	<b>4,742.0</b>	<b>4,527.5</b>	<b>(214.5)</b>	<b>-4.5%</b>
Capital Outlay	0.0	0.0	0.0	0.0%
History, Arts, and Libraries	145.7	247.5	101.8	69.9%
Judiciary	591.5	582.5	(9.0)	-1.5%
Transportation	3,182.3	3,075.3	(107.0)	-3.4%
<b>ALL OTHERS</b>	<b>3,919.5</b>	<b>3,905.3</b>	<b>(14.2)</b>	<b>-0.4%</b>
<b>TOTAL FULL-TIME EQUATED POSITIONS</b>	<b>64,379.6</b>	<b>62,965.4</b>	<b>(1,414.2)</b>	<b>-2.2%</b>

\*Includes classified, unclassified, and nonlegislative exempt positions.

Table 5

STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS  
FY 2002-03 Year-to-Date

<u>DEPARTMENT/ MAJOR BUDGET AREA</u>	<u>Spending from State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending from State Sources as Payment to Locals</u>
Community Colleges	321,732,319	319,732,319	99.4%
Education	43,351,000	16,436,800	37.9%
Higher Education	1,937,845,166	4,029,061	0.2%
School Aid	11,489,854,900	11,439,625,000	99.6%
<b>EDUCATION</b>	<b>\$13,792,783,385</b>	<b>\$11,779,823,180</b>	<b>85.4%</b>
Attorney General	42,984,000	0	0.0%
Civil Rights	13,433,700	0	0.0%
Civil Service	19,656,100	0	0.0%
Executive Office	5,399,500	0	0.0%
Information Technology	0	0	0.0%
Legislature	124,332,600	0	0.0%
Management and Budget	78,191,600	0	0.0%
State	82,243,200	69,800	0.1%
Treasury: Operations	303,828,300	97,980,100	32.2%
Treasury: Debt/Revenue Sharing	1,593,086,400	1,533,500,000	96.3%
<b>GENERAL GOVERNMENT</b>	<b>\$2,263,155,400</b>	<b>\$1,631,549,900</b>	<b>72.1%</b>
Community Health	3,315,020,400	1,086,263,700	32.8%
Corrections	1,675,757,600	78,221,300	4.7%
Family Independence Agency	1,242,380,100	207,056,200	16.7%
<b>HUMAN SERVICES</b>	<b>\$6,233,158,100</b>	<b>\$1,371,541,200</b>	<b>22.0%</b>
Consumer & Industry Services	304,687,900	8,800,000	2.9%
Career Development	37,444,200	0	0.0%
Michigan Startegic Fund Agency	89,749,200	4,500,000	5.0%
<b>REGULATORY</b>	<b>\$431,881,300</b>	<b>\$13,300,000</b>	<b>3.1%</b>
Agriculture	77,009,900	3,754,400	4.9%
Environmental Quality	259,289,600	15,547,500	6.0%
Natural Resources	220,163,100	23,852,500	10.8%
<b>RESOURCE PROTECTION</b>	<b>\$556,462,600</b>	<b>\$43,154,400</b>	<b>7.8%</b>
Military and Veterans Affairs	63,520,200	120,000	0.2%
State Police	346,865,200	19,968,100	5.8%
<b>SAFETY AND DEFENSE</b>	<b>\$410,385,400</b>	<b>\$20,088,100</b>	<b>4.9%</b>
Capital Outlay	362,554,700	17,425,000	4.8%
History, Arts, and Libraries	62,797,500	32,668,200	52.0%
Judiciary	234,477,000	113,428,100	48.4%
Transportation	2,122,964,400	1,176,250,300	55.4%
<b>ALL OTHER</b>	<b>\$2,782,793,600</b>	<b>\$1,339,771,600</b>	<b>48.1%</b>
<b>TOTALS</b>	<b>\$26,470,619,785</b>	<b>\$16,199,228,380</b>	<b>61.2%</b>

**FY 2002-03  
Budget Detail  
for  
2002 PA 530**

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**Supplemental for  
FY 2001-02 and FY 2002-03**



**SUMMARY OF SUPPLEMENTAL FOR FYs 2001-02 AND 2002-03  
HOUSE BILL 4373; 2002 PA 530**

**Detail for FY 2001-02: House Bill 4373, 2002 PA 530**

<u>Department/Budget</u>	<u>House Passed</u>		<u>Senate Passed</u>		<u>Enacted</u>	
	<u>Gross</u>	<u>GF/GP</u>	<u>Gross</u>	<u>GF/GP</u>	<u>Gross</u>	<u>GF/GP</u>
Agriculture	\$235,000	\$235,000	\$235,000	\$235,000	\$235,000	\$235,000
Capital Outlay	96,773,300	(9,216,700)	96,773,300	(9,216,700)	96,773,300	(9,216,700)
Career Development	161,080,000	(5,920,000)	161,080,000	(5,920,000)	161,000,000	(6,000,000)
Community Colleges	66,000	66,000	66,000	66,000	66,000	66,000
Community Health	544,209,600	(62,442,000)	544,209,600	(62,442,000)	544,209,600	(62,442,000)
Consumer & Industry Services	65,000,000	0	65,000,000	0	65,000,000	0
Corrections	4,500,000	0	4,500,000	0	4,500,000	0
Education	24,377,000	365,100	24,377,000	365,100	24,377,000	365,100
Environmental Quality	19,315,100	0	19,315,100	0	19,315,100	0
Family Independence Agency	41,406,500	15,356,000	41,050,500	15,000,000	41,050,500	15,000,000
Higher Education	9,350,000	150,000	9,200,000	0	9,200,000	0
History, Arts, and Libraries	3,211,500	211,500	3,211,500	211,500	3,211,500	211,500
Military/Veterans	1,041,625	456,625	891,625	306,625	891,625	306,625
Natural Resources	2,944,700	0	2,944,700	0	3,064,700	0
State	95,800	95,800	95,800	95,800	80,000	80,000
State Police	7,844,700	1,250,000	7,844,700	1,250,000	7,844,700	1,250,000
State School Aid	3,500,000	0	3,500,000	0	0	0
Transportation	34,753,600	0	34,753,600	0	34,633,600	0
Treasury	2,698,800	(8,000,000)	2,698,800	(8,000,000)	2,698,800	(8,000,000)
<b>TOTAL</b>	<b>\$1,022,403,225</b>	<b>(\$67,392,675)</b>	<b>\$1,021,747,225</b>	<b>(\$68,048,675)</b>	<b>\$1,018,151,425</b>	<b>(\$68,144,475)</b>

**AGRICULTURE**

**Supplemental Appropriations**

***Indemnification Payments***

Provides Indemnification payments for a farm where 28,235 turkeys infected with Avian Influenza (extremely contagious amongst other fowl) were eradicated to prevent the spread of the disease. The Animal Industry Act provides for action on indemnification payments, priced at market value.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$235,000</b>	<b>\$235,000</b>	<b>\$235,000</b>
<b>GF/GP</b>	<b>\$235,000</b>	<b>\$235,000</b>	<b>\$235,000</b>

**CAPITAL OUTLAY**

**Supplemental Appropriations**

		<b><u>House</u></b>	<b><u>Senate</u></b>	<b><u>Enacted</u></b>
<b>1. Airport Safety and Protection Plan</b>	<b>Gross</b>	<b>\$55,000,000</b>	<b>\$55,000,000</b>	<b>\$55,000,000</b>
Provides additional federal and local funds to begin to implement the Airport Safety and Protection (ASAP) Plan. These new safety and security initiatives are currently being developed at the federal level. They will likely include airport access control, passenger, baggage, and employee screening, and terminal modifications.	Federal	40,000,000	40,000,000	40,000,000
	Local	15,000,000	15,000,000	15,000,000
	GF/GP	\$0	\$0	\$0
<b>2. State Building Authority (SBA) Rent Payments</b>	<b>Gross</b>	<b>(\$9,217,300)</b>	<b>(\$9,217,300)</b>	<b>(\$9,217,300)</b>
Reduces SBA Rent Payments based on updated estimates of when projects currently under construction will come on-line.	GF/GP	(\$9,217,300)	(\$9,217,300)	(\$9,217,300)
<b>3. Jackson Armory Replacement</b>	<b>Gross</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>
Funds Jackson Armory replacement. The armory was originally constructed in 1850 and is a registered historic site. Its mechanical and electrical systems are not up to standards. Project is contingent on the sale of the Oak Park Armory.	Federal	7,500,000	7,500,000	7,500,000
	Restr	2,500,000	2,500,000	2,500,000
	GF/GP	\$0	\$0	\$0
<b>4. Calumet Armory Replacement</b>	<b>Gross</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>	<b>\$5,500,000</b>
Funds Calumet Armory replacement. The armory is a metal and brick Quonset hut originally constructed in 1918. Its mechanical and electrical systems are not up to standards. Project is contingent on the sale of the Oak Park Armory.	Federal	4,125,000	4,125,000	4,125,000
	Restr	1,375,000	1,375,000	1,375,000
	GF/GP	\$0	\$0	\$0
<b>5. Grand Ledge Army Airfleet Facility - Parking Lot Improvements</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>
Provides for appropriation of additional federal funds for helicopter parking pad improvements. Newer model helicopters require much larger parking areas.	Federal	1,500,000	1,500,000	1,500,000
	GF/GP	\$0	\$0	\$0
<b>6. State Parks Infrastructure</b>	<b>Gross</b>	<b>\$15,500,000</b>	<b>\$15,500,000</b>	<b>\$15,500,000</b>
Appropriates proceeds of a planned State Park Improvement Revenue Bond series for reconstruction of Sterling State Park in Monroe County.	Restr	15,500,000	15,500,000	15,500,000
	GF/GP	\$0	\$0	\$0
<b>7. Department of Natural Resources (DNR) Fisheries Research Boats</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
Allows for replacement of two large boats the Department uses for research on the Great Lakes that were not designed for modern-day research work and are considered unsafe. One is the <i>RV Judy</i> (currently decommissioned) stationed at Marquette, the other is the <i>RV Chinook</i> stationed at Alpena. The new boats, 50 to 55 footers, would be designed to DNR specifications.	Restr	1,000,000	1,000,000	1,000,000
	GF/GP	\$0	\$0	\$0
<b>8. Cost/Construction Authorizations - Corrections - Camp Brighton Housing Unit</b>	<b>Gross</b>	<b>\$7,075,000</b>	<b>\$7,075,000</b>	<b>\$7,075,000</b>
Authorizes construction of a 336-bed women's housing unit. Total cost is \$10.8 million; federal share \$7.1 million; State Building Authority share \$3.7 million.	Federal	7,075,000	7,075,000	7,075,000
	GF/GP	\$0	\$0	\$0
<b>9. Cost/Construction Authorizations - Kellogg Community College - Career Development Center (CDC) Renovation</b>	<b>Gross</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>
Authorizes converting the 21,640 gross sq. ft. CDC into a new science building. Total cost is \$3.8 million; college share \$1.9 million; State Building Authority share \$1.9 million; GF/GP \$200.	GF/GP	\$100	\$100	\$100

**Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>10. Cost/Construction Authorizations - Mid-Michigan Community College - Student Assessment Center</b>				
	<b>Gross</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>
	GF/GP	\$100	\$100	\$100
Authorizes constructing a new 12,000 gross sq. ft. building to house admissions, financial aid, counseling, and others. Vacated space of 8,600 gross sq. ft. will be renovated to house a new art lab and expand the library. Total cost is \$3.2 million; college share \$1.6 million; State Building Authority share \$1.6 million; GF/GP \$200.				
<b>11. Cost/Construction Authorizations - St. Clair County Community College - Campus Renovations</b>				
	<b>Gross</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>
	GF/GP	\$100	\$100	\$100
Authorizes addition/renovation project to expand the library and upgrade classroom and lab space. Total cost is \$9.0 million; college share \$4.5 million; State Building Authority share \$4.5 million; GF/GP \$200.				
<b>12. Cost/Construction Authorizations - Washtenaw Community College - Plumbers/Pipefitters Facility</b>				
	<b>Gross</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>
	GF/GP	\$100	\$100	\$100
Authorizes constructing a 23,800 gross sq. ft. addition to the Occupational Education Building to provide advanced and specialized training. Total cost is \$4.0 million; college share \$2.0 million; State Building Authority share \$2.0 million; GF/GP \$200.				
<b>13. Farmland and Open Space Development Acquisition</b>				
	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
	Federal	2,000,000	2,000,000	2,000,000
	GF/GP	\$0	\$0	\$0
Allows the Department of Agriculture to receive federal funds for the purchase of development rights under this program.				
<b>14. Special Maintenance Projects, etc. - Department of Military and Veterans Affairs (DMVA)</b>				
	<b>Gross</b>	<b>\$2,415,000</b>	<b>\$2,415,000</b>	<b>\$2,415,000</b>
	Federal	2,185,000	2,185,000	2,185,000
	Private	230,000	230,000	230,000
	GF/GP	\$0	\$0	\$0
Appropriates federal funds to support various special maintenance and remodeling projects at DMVA facilities that are federally owned. In addition, \$230,000 of private monies from the Northern Michigan Law Enforcement Training Group allows for the construction of a vehicle-driving course at Camp Grayling.				
<b>15. Lansing Maintenance Shop - Military Affairs</b>				
	<b>Gross</b>	<b>\$6,000,000</b>	<b>\$6,000,000</b>	<b>\$6,000,000</b>
	Federal	5,850,000	5,850,000	5,850,000
	Restr	150,000	150,000	150,000
	GF/GP	\$0	\$0	\$0
Authorizes a \$6.0 million project scope increase for the new Military Combined Support Maintenance Shop project. Originally appropriated in 1997 at \$18.5 million (\$18.1 million federal and \$400,000 state), this request is now \$23.95 million federal and \$550,000 state.				
<b>16. Cost/Construction Authorizations - University of Michigan - Dearborn (UM-D) Phase I Building Acquisition</b>				
	<b>Gross</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>
	GF/GP	\$100	\$100	\$100
Increases the scope and cost of the existing authorization for renovations to the Engineering Building. Under this, UM-D is authorized \$32.8 million (\$24.6 million state, \$8.2 million UM-D) to purchase a 280,000 sq. ft. training facility from Ford Motor Company. Facility contains modern computer labs and classrooms and allows the University to move the School of Education into this facility; it will also house the Corporate and Professional Training Center. Phase II authorizes \$22.2 million (\$16.65 million state, \$5.55 million UM-D) to renovate the Engineering Building and vacated space to upgrade engineering programs. In total, the project cost increase is \$20.0 million (\$15 million state, \$5 million UM-D).				

## OVERVIEW - SUPPLEMENTAL SUMMARY

### Supplemental Appropriations

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>17. Cost/Construction Authorizations - Monroe Community College Instructional Facility</b>	<b>Gross</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>
	<b>GF/GP</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>

Provides for a proposed 53,000 sq. ft. multi-use Instructional Center which is estimated to cost \$12.0 million. It will house a 575-seat auditorium, rehearsal spaces, dividable classrooms, a multi-purpose lecture hall, and offices for the Corporate and Community Services Department. Total cost is \$12.0 million; college share \$6.0 million; State Building Authority share \$6.0 million; GF/GP \$200.

### Boilerplate

#### **Sec. 401. Prison Projects**

Reduces cost authorizations for several completed prison projects with surplus SBA authorizations in order to help finance the projects at Camp Brighton.

#### **Sec. 402. Bond Issuing Costs**

Allows DNR to use bond proceeds to cover bond issuing costs for the Park Improvement project.

#### **Sec. 403. Change in Project Financing**

Changes \$693,750 of project financing from federal to Waterways Fund for Harbor Island Boat Launch.

#### **Sec. 404. Authorization Contingency**

Makes Jackson and Calumet armory construction authorizations contingent on sale of Oak Park Armory.

#### **Sec. 405. Transfer Funding**

Transfers \$1.0 million from the Wildlife Resource Protection Fund to the Game and Fish Fund.

#### **Sec. 406. Demolish Buildings**

Allows the Department of Management and Budget (DMB) to demolish various Corrections buildings, including all buildings at Camp Waterloo.

#### **Sec. 407. Change Project Scope and Name**

Changes the project scope and name of the Kellogg Community College project entitled the West Michigan Center for Manufacturing Research to the Career Development Center/Science Building Renovation Project.

#### **Sec. 408. Funds to Comply with Authorizing Statute**

Provides appropriations for the Farmland and Open Space program to comply with the authorizing statute, 1994 PA 451.

#### **Sec. 410. Planning and Renovating - University of Michigan-Dearborn**

Stipulates that in the event that the UM-D acquisition authorized under Part 1 does not occur, then the original planning authorization for renovating the Engineering Building is reinstated at \$35.0 million Total Project Cost. Planning document approvals for the phase I acquisition authorization are waived. Phase II renovations cannot move to final design/construction until planning documents have been approved by DMB and Joint Capital Outlay Subcommittee (JCOS).

#### **Sec. 411. Change in Project Scope and Cost - VETOED**

Explains that the total authorized cost of the St. Clair County Community College project is \$4.0 million higher than that approved by the JCOS because of North Building renovations now being part of the project scope.

#### **Sec. 412. Operational Cost Analysis**

Requires that Michigan State University (MSU), in collaboration with the Departments of Agriculture and Natural Resources, provide an operational cost analysis of the new Animal Health Diagnostic Laboratory to the Legislature by September 30, 2002.

## **CAREER DEVELOPMENT**

### Supplemental Appropriations

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Focus: HOPE</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Replaces \$5.0 million in GF/GP revenue with an equivalent amount of federal Workforce Investment Act revenue to support Focus:HOPE's job training programs.	Federal	5,000,000	5,000,000	5,000,000
	GF/GP	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)



**Supplemental Appropriations**

**2. Job Training Programs Subgrantees**

Uses Federal Reed Act revenue in the amount of \$23.8 million to support Michigan Works! Service Center operations. Funding will be carried forward as a work project through FY 2003-04. New funding allows \$6.0 million of existing FY 2001-02 appropriations from federal Workforce Investment Act funds to be transferred to Focus:HOPE and the Michigan Virtual University. Appropriations of \$1.0 million GF/GP that subsidize the service centers are also eliminated. Identical reductions have also been implemented for FY 2002-03 and are planned for FY 2003-04.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$16,800,000</b>	<b>\$16,800,000</b>	<b>\$16,800,000</b>
Federal	17,800,000	17,800,000	17,800,000
GF/GP	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)

**3. Welfare-To-Work Programs**

Implements a fund shift for the program; \$182.2 million in federal Reed Act funding is appropriated, while \$46.0 million in existing Temporary Assistance for Needy Families (TANF) funding for FY 2001-02 is eliminated. The Reed Act funds will be carried forward as a work project through FY 2003-04. Given the new funding, TANF funding for FY 2002-03 has been reduced by \$66.1 million and a final \$66.1 million TANF reduction is planned for FY 2003-04.

<b>Gross</b>	<b>\$136,200,000</b>	<b>\$136,200,000</b>	<b>\$136,200,000</b>
Federal	136,200,000	136,200,000	136,200,000
GF/GP	\$0	\$0	\$0

**4. Michigan Virtual University (MVU) Long Distance Learning**

Supports MVU distance learning initiatives from Federal Workforce Investment Act funding.

<b>Gross</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
Federal	1,000,000	1,000,000	1,000,000
GF/GP	\$0	\$0	\$0

**5. Employment Services**

Appropriates federal Reed Act dollars to support Employment Service programs delivered through Michigan Works! Service Centers.

<b>Gross</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>	<b>\$7,000,000</b>
Federal	7,000,000	7,000,000	7,000,000
GF/GP	\$0	\$0	\$0

**6. Glen Oaks Community College Outreach Center - VETOED**

Funds creation of an outreach center in Sturgis. Community college courses in certain certification programs would be offered through the center as well as other services such as career exploration, financial aid counseling, and skills assessment.

<b>Gross</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$0</b>
GF/GP	\$80,000	\$80,000	\$0

**Boilerplate**

**Sec. 420. Work Project Account**

States that appropriation for Job Training Programs Subgrantees is considered a work project account and unexpended funds are not to lapse on September 30, 2002.

**Sec. 421. Work Project Account**

States that appropriation for Welfare-To-Work Programs is considered a work project account and unexpended funds are not to lapse on September 30, 2002.

**Sec. 422. Work Project Account**

States that appropriation for Employment Services is considered a work project account and unexpended funds are not to lapse on September 30, 2002.

**COMMUNITY COLLEGES**

**Supplemental Appropriations**

**Renaissance Zone Tax Reimbursement**

Covers a projected shortfall of these payments to community colleges, \$400,000 was originally appropriated.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$66,000</b>	<b>\$66,000</b>	<b>\$66,000</b>
GF/GP	\$66,000	\$66,000	\$66,000

**COMMUNITY HEALTH****Supplemental Appropriations**

		<b><u>House</u></b>	<b><u>Senate</u></b>	<b><u>Enacted</u></b>
<b>1. Medicaid Mental Health Services Increase</b>	<b>Gross</b>	<b>\$15,731,000</b>	<b>\$15,731,000</b>	<b>\$15,731,000</b>
Increases capitation payments to CMHSPs based on actual expenditures and projected Medicaid eligibles.	Federal	8,864,700	8,864,700	8,864,700
	GF/GP	\$6,866,800	\$6,866,800	\$6,866,800
<b>2. Bioterrorism Preparedness</b>	<b>Gross</b>	<b>\$31,200,000</b>	<b>\$31,200,000</b>	<b>\$31,200,000</b>
Increases federal funding for bioterrorism preparedness initiatives addressing state and local medical and public health delivery systems capacity including hospitals and laboratories, and improved health communications and information management, to strengthen U.S. ability to detect and react quickly to a biological attack.	Federal	31,200,000	31,200,000	31,200,000
	GF/GP	\$0	\$0	\$0
<b>3. MOMS Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$4,214,000</b>	<b>\$4,214,000</b>
Increases funding for the Maternal Outpatient Medical Services (MOMS) prenatal care program to address an increase in participation. Program serves low-income women who do not qualify for Medicaid. Supplemental funds are from the Healthy Michigan Fund.	Restr	0	4,214,000	4,214,000
	GF/GP	\$0	\$0	\$0
<b>4. Children's Special Health Care</b>	<b>Gross</b>	<b>\$28,951,000</b>	<b>\$28,951,000</b>	<b>\$28,951,000</b>
Adds funding to address caseload, utilization, and inflationary growth in the Medical care and treatment line.	Federal	14,186,000	14,186,000	14,186,000
	GF/GP	\$14,765,000	\$14,765,000	\$14,765,000
<b>5. Medicaid Base Funding</b>	<b>Gross</b>	<b>\$289,155,900</b>	<b>\$289,155,900</b>	<b>\$289,155,900</b>
Increases various Medicaid services lines to recognize unanticipated Medicaid caseload growth. The number of Medicaid eligible persons has grown by over 100,000, a 9.3% increase, during the past year.	Federal	162,938,500	162,938,500	162,938,500
	GF/GP	\$126,217,400	\$126,217,400	\$126,217,400
<b>6. State and Local Medical Programs</b>	<b>Gross</b>	<b>\$8,498,700</b>	<b>\$8,498,700</b>	<b>\$8,498,700</b>
Increase to cover inflation, utilization, and caseload growth related to indigent health care.	Federal	4,789,900	4,789,900	4,789,900
	GF/GP	\$3,708,800	\$3,708,800	\$3,708,800
<b>7. Medicaid Benefits Trust Fund</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Provides for withdrawal from the Medicaid Benefits Trust Fund to replace GF/GP needed to cover the state share of Medicaid costs.	Restr	203,000,000	203,000,000	203,000,000
	GF/GP	(\$203,000,000)	(\$203,000,000)	(\$203,000,000)
<b>8. Special Adjustor Payments</b>	<b>Gross</b>	<b>\$166,458,500</b>	<b>\$166,458,500</b>	<b>\$166,458,500</b>
Increases Medicaid special financing payments necessary to offset the \$60.0 million GF/GP savings in Executive Order 2001-9.	Federal	60,000,000	60,000,000	60,000,000
	Local	106,458,500	106,458,500	106,458,500
	GF/GP	\$0	\$0	\$0
<b>9. Vitamin Lawsuit Settlement</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Provides for estimated settlement funds anticipated from a vitamin price fixing lawsuit used to offset Medicaid GF/GP costs.	Restr	11,000,000	11,000,000	11,000,000
	GF/GP	(\$11,000,000)	(\$11,000,000)	(\$11,000,000)

**Boilerplate****Sec. 451. Reports on Bioterrorism Preparedness and Response**

Requires the Department to provide to the Legislature progress reports, budget detail, and/or planning documents on public health and hospital bioterrorism preparedness and response initiatives.

**Boilerplate**

**Sec. 452. Increase in Medicaid Capitation Rate**

Authorizes the Department to establish a separate contingency appropriations account, in an amount not exceeding \$100.0 million, for the purpose of providing an increase in Medicaid capitation rates for CMHSPs. Specifies that, in order to receive a capitation rate increase, CMHSPs or an affiliation of CMHSPs provide funds from internal resources that can be used as a bona fide source for the state match required under the Medicaid program. Requires distribution of the rate increase to be based on a formula developed by a committee established within the Department that includes representatives from CMHSPs or affiliates of CMHSPs and departmental staff. Specifies criteria to be used in developing the distribution formula for the Medicaid capitation rate increase. Requires the committee to report its findings to the House of Representatives and Senate Appropriations Subcommittees on Community Health. Prohibits implementation of this section if it does not comply with federal laws or regulations.

**Sec. 454. Increased Payments for Medicaid Services**

Allows the Department of Community Health (DCH) to implement a program to make increased payments for Medicaid services to hospitals located in geographic areas where the non-federal share of the Medicaid payment is obtained from local units of government.

**CONSUMER AND INDUSTRY SERVICES**

**Supplemental Appropriations**

***Unemployment Programs***

Adds \$75.0 million in federal Reed Act funds to support Unemployment Agency operations and technology projects. Appropriation will be carried forward as a work project through FY 2003-04. New funding allows for elimination of \$10.0 million in FY 2001-02 appropriations from the Employment Security Contingent Fund. An identical Contingent Fund reduction has been implemented for FY 2002-03 as well and is planned for FY 2003-04.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$65,000,000</b>	<b>\$65,000,000</b>	<b>\$65,000,000</b>
Federal	75,000,000	75,000,000	75,000,000
Restr	(10,000,000)	(10,000,000)	(10,000,000)
GF/GP	\$0	\$0	\$0

**Boilerplate:**

**Sec. 501. Copies of Quarterly and Annual Filings by HMOs**

Requires the Office of Financial and Insurance Services to provide copies of quarterly and annual filings by HMOs to the Senate and House Fiscal Agencies in a timely manner.

**Sec. 502. Work Project Account**

States that appropriation for Unemployment Programs is considered a work project account and unexpended funds are not to lapse on September 30, 2002.

**CORRECTIONS**

**Supplemental Appropriations**

***County Jail Reimbursement***

Replaces GF/GP dollars reduced under Executive Order 2001-9 with restricted revenues from a new \$5 assessment on civil infractions.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>
Restr	4,500,000	4,500,000	4,500,000
GF/GP	\$0	\$0	\$0

**EDUCATION**

**Supplemental Appropriations**

**1. School Breakfast Program**

Provides necessary funding to cover a projected shortfall.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$365,100</b>	<b>\$365,100</b>	<b>\$365,100</b>
GF/GP	\$365,100	\$365,100	\$365,100

**2. Federal Funds Adjustment**

Provides additional federal monies to implement several new programs; \$16.5 million for teacher development, \$5.7 million for pre-school reading, \$1.2 million for language instruction to non-English-speaking students, and \$650,000 for administration.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$24,011,900</b>	<b>\$24,011,900</b>	<b>\$24,011,900</b>
Federal	24,011,900	24,011,900	24,011,900
GF/GP	\$0	\$0	\$0

**ENVIRONMENTAL QUALITY**

**Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Environmental Cleanup and Redevelopment Program</b>	<b>Gross</b>	<b>\$15,965,000</b>	<b>\$15,965,000</b>	<b>\$15,965,000</b>
Replaces GF/GP dollars reduced under Executive Order 2001-9 with one-time revenue from the sale of federal tax credits for the production of low value oil and natural gas. Settlement fund would be provided for site cleanup projects.	Restr	15,965,000	15,965,000	15,965,000
	GF/GP	\$0	\$0	\$0
<b>2. State Sites Cleanup</b>	<b>Gross</b>	<b>\$965,100</b>	<b>\$965,100</b>	<b>\$965,100</b>
Provides for use of revenue from the cleanup reimbursement for the Clinton Valley Center at other state cleanup sites.	Restr	965,100	965,100	965,100
	GF/GP	\$0	\$0	\$0
<b>3. Surface Water Surveillance</b>	<b>Gross</b>	<b>\$3,350,000</b>	<b>\$3,350,000</b>	<b>\$3,350,000</b>
Provides funds to be used for sediment cleanup of Tannery Bay, White Lake, MI. Funds are derived from a settlement agreement with the responsible party.	Restr	3,350,000	3,350,000	3,350,000
	GF/GP	\$0	\$0	\$0

**Boilerplate**

**Sec. 502. Work Project Accounts**

States that appropriations for State Sites Cleanup and Surface Water Surveillance are considered work project accounts and unexpended funds are not to lapse on September 30, 2002.

**FAMILY INDEPENDENCE AGENCY**

**Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Public Assistance</b>	<b>Gross</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>	<b>\$15,000,000</b>
Appropriates funding to cover a projected 3,000-caseload increase for the Family Independence Program.	GF/GP	\$15,000,000	\$15,000,000	\$15,000,000
<b>2. Child Support Automation</b>	<b>Gross</b>	<b>\$6,050,500</b>	<b>\$6,050,500</b>	<b>\$6,050,500</b>
Recognizes available federal child support incentive funds that would be classified as state restricted funding.	Restr	6,050,500	6,050,500	6,050,500
	GF/GP	\$0	\$0	\$0
<b>3. Homestead Property Tax Credit for Low Income Families</b>	<b>Gross</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>
TANF funding received from the Department of Career Development which is to be utilized in the area of Homestead Property Tax payments.	Federal	20,000,000	20,000,000	20,000,000
	GF/GP	\$0	\$0	\$0
<b>4. State Emergency Relief</b>	<b>Gross</b>	<b>\$356,000</b>	<b>\$0</b>	<b>\$0</b>
Appropriation for multi-cultural assimilation and support services.	GF/GP	\$356,000	\$0	\$0

**Boilerplate**

**Sec. 702. TANF Use for Homestead Property Tax Credit**

Repeals Section 646 of 2001 PA 82 that specifies maximum TANF usage for the Homestead Property Tax Credit.

**HIGHER EDUCATION**

**Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Michigan Merit Award Program</b>	<b>Gross</b>	<b>\$9,200,000</b>	<b>\$9,200,000</b>	<b>\$9,200,000</b>
Appropriates restricted funds to meet FY 2001-02 obligations related to the graduating classes of 2000, 2001, and 2002.	Restr	9,200,000	9,200,000	9,200,000
	GF/GP	\$0	\$0	\$0
<b>2. Michigan State University - Pavement Preservation Center</b>	<b>Gross</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
Provides funds to be used to support MSU's effort to be selected as the host site of this research center.	GF/GP	\$150,000	\$0	\$0

## HISTORY, ARTS, AND LIBRARIES

### Supplemental Appropriations

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Renaissance Zone Reimbursement</b>	<b>Gross</b>	<b>\$211,500</b>	<b>\$211,500</b>	<b>\$211,500</b>
Adds funding for reimbursements to libraries located in a Renaissance Zone. These payments hold harmless public libraries that lose money from their levies due to the presence of a Renaissance Zone within their taxing authority. With this request, authorization would increase from \$413,900 to \$625,400.	GF/GP	\$211,500	\$211,500	\$211,500
<b>2. Federal Aid to Libraries</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>
Allows federal Reed Act funds to be used to support grants to Michigan libraries to purchase computers and train library staff to assist claimants in accessing unemployment agency websites.	Federal	2,000,000	2,000,000	2,000,000
	GF/GP	\$0	\$0	\$0
<b>3. Grant to Detroit Public Library</b>	<b>Gross</b>	<b>\$935,200</b>	<b>\$935,200</b>	<b>\$935,200</b>
Allows federal Reed Act funds to be used by this library to purchase computers and train library staff to assist claimants in accessing unemployment agency websites.	Federal	935,200	935,200	935,200
	GF/GP	\$0	\$0	\$0
<b>4. Grant to Grand Rapids Public Library</b>	<b>Gross</b>	<b>\$64,800</b>	<b>\$64,800</b>	<b>\$64,800</b>
Allows federal Reed Act funds to be used by this library to purchase computers and train library staff to assist claimants in accessing unemployment agency websites.	Federal	64,800	64,800	64,800
	GF/GP	\$0	\$0	\$0

### Boilerplate

#### **Sec. 520. Work Project Accounts**

States that appropriations for Federal Aid to Libraries and the Detroit and Grand Rapids public libraries are considered work project accounts and unexpended funds are not to lapse on September 30, 2002.

## MICHIGAN STRATEGIC FUND

### Boilerplate

#### **1. Sec. 540. Core Communities Fund Awardees**

Replaces Sec. 418 of the current Strategic Fund budget act to allow Core Communities Fund awardees to use the grant for broader technology related initiatives. These are not explicitly allowed under current authority.

#### **2. Sec. 701. Repeals Previous Section**

Repeals Sec. 418 of PA 80 of 2001.

## MILITARY AND VETERANS AFFAIRS

### Supplemental Appropriations

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Grand Rapids Veterans Home</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Offsets GF/GP with available Medicaid and Medicare revenue.	Federal	585,000	585,000	585,000
	GF/GP	(\$585,000)	(\$585,000)	(\$585,000)
<b>2. Grants to Veterans Service Organizations</b>	<b>Gross</b>	<b>\$891,625</b>	<b>\$891,625</b>	<b>\$891,625</b>
Restores reductions applied by Executive Order 2001-9 to eleven grantees.	GF/GP	\$891,625	\$891,625	\$891,625
<b>3. Tuition Grants to Veterans Dependents</b>	<b>Gross</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
House passed bill included GF/GP to partially offset tuition payments from Veterans Trust Fund, which would have allowed for additional emergency assistance grants from the fund.	GF/GP	\$150,000	\$0	\$0

**NATURAL RESOURCES****Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Timber Harvest</b>	<b>Gross</b>	<b>\$1,042,900</b>	<b>\$1,042,900</b>	<b>\$1,042,900</b>
Replaces GF/GP dollars reduced under Executive Order 2001-9 with Forest Development Fund revenue.	Restr	1,042,900	1,042,900	1,042,900
	GF/GP	\$0	\$0	\$0
<b>2. Marine Safety Grants</b>	<b>Gross</b>	<b>\$2,021,800</b>	<b>\$1,042,900</b>	<b>\$2,021,800</b>
Provides funding for FY 2001-2002 grants to county sheriffs for watercraft enforcement. Existing appropriation was used to cover awards made in FY 2000-2001.	Restr	2,021,800	1,042,900	2,021,800
	GF/GP	\$0	\$0	\$0
<b>3. National Recreational Trails - VETOED</b>	<b>Gross</b>	<b>(\$120,000)</b>	<b>(\$120,000)</b>	<b>\$0</b>
Re-appropriates federal funds to MDOT to complete construction of the separated grade crossing at Old 27 North, Whitmarsh intersection of the Gaylord-Cheboygan Recreational Trail.	Federal	(120,000)	(120,000)	0
	GF/GP	\$0	\$0	\$0

**Boilerplate****Sec. 545. Accounting Adjustment**

Provides that the appropriation for Marine Safety Grants is an accounting adjustment.

**STATE****Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Election Regulation Training Video</b>	<b>Gross</b>	<b>\$80,000</b>	<b>\$80,000</b>	<b>\$80,000</b>
Provides funds, pursuant to 2001 PA 269, to produce a comprehensive election administration and registration training video for distribution to each precinct chairperson and vice-chairperson in Michigan.	GF/GP	\$80,000	\$80,000	\$80,000
<b>2. City of Flint - VETOED</b>	<b>Gross</b>	<b>\$15,800</b>	<b>\$15,800</b>	<b>\$0</b>
Provides reimbursement to Flint for costs incurred for the mayoral election that the state has delayed.	GF/GP	\$15,800	\$15,800	\$0

**STATE POLICE****Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Secondary Road Patrol</b>	<b>Gross</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>	<b>\$4,500,000</b>
Appropriates projected revenue from traffic citation assessment increase from \$5.00 to \$10.00. Replaces GF/GP dollars reduced under Executive Order 2001-9.	Restr	4,500,000	4,500,000	4,500,000
	GF/GP	\$0	\$0	\$0
<b>2. Court Judgments</b>	<b>Gross</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>	<b>\$1,250,000</b>
Includes payment to settle lawsuit against Department.	GF/GP	\$1,250,000	\$1,250,000	\$1,250,000
<b>3. Forensic Laboratory Fund</b>	<b>Gross</b>	<b>\$585,000</b>	<b>\$585,000</b>	<b>\$585,000</b>
Reflects restricted revenue from \$150.00 assessment for forensic services applied in certain court cases.	Restr	585,000	585,000	585,000
	GF/GP	\$0	\$0	\$0
<b>4. DNA Processing Fees</b>	<b>Gross</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$400,000</b>
Appropriates restricted revenue from new DNA processing assessment for criminal convicts. Under statute, Department receives \$39.00 from \$60.00 assessment.	Restr	400,000	400,000	400,000
	GF/GP	\$0	\$0	\$0
<b>5. Reimbursed Services</b>	<b>Gross</b>	<b>\$770,000</b>	<b>\$770,000</b>	<b>\$770,000</b>
Appropriates additional revenue from various contractual services Department provides to outside entities.	Restr	770,000	770,000	770,000
	GF/GP	\$0	\$0	\$0
<b>6. Truck Safety Fund</b>	<b>Gross</b>	<b>\$307,000</b>	<b>\$307,000</b>	<b>\$307,000</b>
Reflects increased grant award from Truck Safety Fund for costs of current motor carrier recruit school and other commercial vehicle enforcement initiatives.	IDT	307,000	307,000	307,000
	GF/GP	\$0	\$0	\$0

**Supplemental Appropriations**

**7. Motor Carrier Fees**

Includes motor carrier fee revenue to provide matching funds for \$123,500 in federal revenue (U.S. Department of Transportation) appropriated through a legislative transfer requested in the April 4, 2002, DMB letter.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$32,700</b>	<b>\$32,700</b>	<b>\$32,700</b>
Restr	32,700	32,700	32,700
GF/GP	\$0	\$0	\$0

**Boilerplate**

**Sec. 552. Law Enforcement Assistance to City of Highland Park**

Includes language calling for the Department to provide general law enforcement assistance to City of Highland Park until such services can be provided to city by other means.

**SCHOOL AID**

**Supplemental Appropriations**

**Declining Enrollment - VETOED**

Funds payments to districts in the Upper Peninsula that meet certain eligibility requirements for declining enrollment funds under Sec. 6(4)(y) of the School Aid Act. Districts in the Upper Peninsula had been eligible for these payments until Senate Bill 1107 was enacted in April 2002.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$3,500,000</b>	<b>\$3,500,000</b>	<b>\$0</b>
Restr	3,500,000	3,500,000	0
GF/GP	\$0	\$0	\$0

**Boilerplate**

**Sec. 551. Declining Enrollment Funds - VETOED**

States that the Declining Enrollment funds shall be carried forward to 2002-2003 and shall be allocated to districts located in the Upper Peninsula that meet all the criteria of Sec. 6(4)(7) of the State School Aid Act, which requires districts to have fewer than 1,550 pupils in membership and fewer than 4.5 pupils per square mile to receive the funds.

**TRANSPORTATION**

**Supplemental Appropriations**

**1. Federal Aid Road and Bridge Programs**

Restores \$24.0 million in federal funds cut from the current-year budget by the veto of Section 405 of Enrolled Senate Bill 239. That section had earmarked funds for local critical bridge programs. Restores \$18.0 million for eligible local road construction programs—but not earmarked for local bridges—and \$6.0 million for state trunkline federal aid construction programs.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$24,000,000</b>	<b>\$24,000,000</b>	<b>\$24,000,000</b>
Federal	24,000,000	24,000,000	24,000,000
GF/GP	\$0	\$0	\$0

**2. Local Bus Operating**

Adds \$4.2 million from the Comprehensive Transportation Fund (CTF) balance to bring line item to \$159.5 million.

<b>Gross</b>	<b>\$3,247,300</b>	<b>\$3,247,300</b>	<b>\$3,247,300</b>
Restr	3,247,300	3,247,300	3,247,300
GF/GP	\$0	\$0	\$0

**3. Local Bus Capital**

Adds \$5.4 million state restricted (CTF). This includes \$4.1 million for development of the Detroit Intermodal Freight Terminal (DIFT) in southwest Detroit. State funds would provide 50% of initial project costs with private railroad companies matching the remaining 50%. The state funds would come from the CTF fund balance.

<b>Gross</b>	<b>\$764,000</b>	<b>\$764,000</b>	<b>\$764,000</b>
Restr	764,000	764,000	764,000
GF/GP	\$0	\$0	\$0

**4. Intermodal Freight Terminal**

Adds \$5.4 million (CTF) to the line item based on estimated CTF fund balance and increased CTF revenue estimates. Executive had identified \$4.1 million for development of the Detroit Intermodal Freight Terminal (DIFT) in southwest Detroit. State funds would provide 50% of initial project costs with private railroad companies matching the remaining 50%.

<b>Gross</b>	<b>\$5,432,300</b>	<b>\$5,432,300</b>	<b>\$5,432,300</b>
Restr	5,432,300	5,432,300	5,432,300
GF/GP	\$0	\$0	\$0

## OVERVIEW - SUPPLEMENTAL SUMMARY

### Supplemental Appropriations

#### **5. Specialized Public Transportation Services**

Restores \$190,000 (CTF) cut in Executive Order 2001-9. Additional funding would come from the CTF fund balance and would bring the total appropriation for this line item to \$3.9 million (CTF). The line item funds transit programs for the elderly and persons with disabilities.

	<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Gross</b>	<b>\$190,000</b>	<b>\$190,000</b>	<b>\$190,000</b>
Restr	190,000	190,000	190,000
GF/GP	\$0	\$0	\$0

#### **6. Old 27 North/Whitemarsh Project - VETOED**

Re-appropriates federal funds from DNR to complete construction of the separated grade crossing at Old 27 North, Whitemarsh intersection of the Gaylord-Cheboygan Recreational Trail.

<b>Gross</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$0</b>
Restr	120,000	120,000	0
GF/GP	\$0	\$0	\$0

## **TREASURY**

### Supplemental Appropriations

#### **1. Federal Grant for State Education Assessment**

Provides authorization for receipt and expenditure of federal grant funds for assessment testing requirements associated with the "No Child Left Behind Act of 2001." The act requires states to develop and implement annual reading and math assessments in grades 3-8.

<b>Gross</b>	<b>\$10,698,800</b>	<b>\$10,698,800</b>	<b>\$10,698,800</b>
Federal	10,698,800	10,698,800	10,698,800
GF/GP	\$0	\$0	\$0

#### **2. Debt Service - School Bond Loans**

Allows for payment requirements being reduced based on the debt repayment schedule.

<b>Gross</b>	<b>(\$9,000,000)</b>	<b>(\$9,000,000)</b>	<b>(\$9,000,000)</b>
GF/GP	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)

#### **3. Senior Citizen Cooperative Housing Tax Exemption**

Adds funding necessary to meet the payment requirements established under Section 211.7d of the Michigan Compiled Laws, specifically the Senior Citizen Cooperative Housing Tax Exemption. Program exempts qualifying senior citizen facilities from paying local property taxes. State of Michigan reimburses local units of government for the property tax that would have been paid by the facilities. Due to an increasing number of properties in the program, additional funds are necessary to meet the obligations.

<b>Gross</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
GF/GP	\$1,000,000	\$1,000,000	\$1,000,000

### Boilerplate

#### **Sec. 601. Funding for Operational Expenses and Grants**

Authorizes the Department to expend revenues received under the Michigan Public Educational Facilities Authority, Executive Order No. 2002-3, for operational expenses and grants to the Civil Service Commission and State Employees Retirement Fund. Executive order created the new bonding authority to acquire capital for the construction, rehabilitation, refurbishing, or equipping of qualified public educational facilities.

#### **Sec. 602. Funding for Operational Expenses and Grants**

Authorizes the Department to expend revenues received under the Michigan Broadband Development Authority Act for operational expenses and grants to the Civil Service Commission and State Employees' Retirement Fund. The Act created the new bonding authority to acquire capital to encourage broadband investment by the private sector.

## **GENERAL SECTIONS**

### Boilerplate

#### **Sec. 204. Transfer of FY 2001-02 Balance - VETOED**

Provision to transfer any FY 2001-02 GF/GP balance to the Budget Stabilization Fund except for the \$79.5 million transfer from contingent fund under the Michigan Employment Security Act.

#### **Sec. 301. Litigation Expenses**

Authorizes the Department of Attorney General to expend up to \$500,000 from litigation expense reimbursements awarded to the state for other litigation expenses.



**Detail for FY 2002-03: House Bill 4373, 2002 PA 530**

<u>Department/Budget</u>	<u>House Passed</u>		<u>Senate Passed</u>		<u>Enacted</u>	
	<u>Gross</u>	<u>GF/GP</u>	<u>Gross</u>	<u>GF/GP</u>	<u>Gross</u>	<u>GF/GP</u>
Capital Outlay	(\$9,200,000)	(\$9,200,000)	(\$9,200,000)	(\$9,200,000)	(\$9,200,000)	(\$9,200,000)
Higher Education	(50,000,000)	0	(50,000,000)	0	(50,000,000)	0
<b>Totals</b>	<b>(\$59,200,000)</b>	<b>(\$9,200,000)</b>	<b>(\$59,200,000)</b>	<b>(\$9,200,000)</b>	<b>(\$59,200,000)</b>	<b>(\$9,200,000)</b>

**CAPITAL OUTLAY****Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>1. Major Special Maintenance for DCH</b>	<b>Gross</b>	<b>(\$500,000)</b>	<b>(\$500,000)</b>	<b>(\$500,000)</b>
Elimination of funds will not occur if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).	GF/GP	(\$500,000)	(\$500,000)	(\$500,000)
<b>2. Major Special Maintenance for Corrections</b>	<b>Gross</b>	<b>(\$2,077,700)</b>	<b>(\$2,077,700)</b>	<b>(\$2,077,700)</b>
Elimination of funds will not occur if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).	GF/GP	(\$2,077,700)	(\$2,077,700)	(\$2,077,700)
<b>3. Major Special Maintenance for DMB</b>	<b>Gross</b>	<b>(\$712,500)</b>	<b>(\$712,500)</b>	<b>(\$712,500)</b>
Elimination of funds will not occur if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).	GF/GP	(\$712,500)	(\$712,500)	(\$712,500)
<b>4. Major Special Maintenance for State Police</b>	<b>Gross</b>	<b>(\$256,300)</b>	<b>(\$256,300)</b>	<b>(\$256,300)</b>
Elimination of funds will not occur if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).	GF/GP	(\$256,300)	(\$256,300)	(\$256,300)
<b>5. Major Special Maintenance for FIA</b>	<b>Gross</b>	<b>(\$550,000)</b>	<b>(\$550,000)</b>	<b>(\$550,000)</b>
Elimination of funds will not occur if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).	GF/GP	(\$550,000)	(\$550,000)	(\$550,000)
<b>6. Major Special Maintenance for Military and Veterans Affairs</b>	<b>Gross</b>	<b>(\$1,219,700)</b>	<b>(\$1,219,700)</b>	<b>(\$1,219,700)</b>
Elimination of funds will not occur if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).	GF/GP	(\$1,219,700)	(\$1,219,700)	(\$1,219,700)
<b>7. Statewide Emergency Special Maintenance</b>	<b>Gross</b>	<b>\$2,116,200</b>	<b>\$2,116,200</b>	<b>\$2,116,200</b>
Account will not be established if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).	GF/GP	\$2,116,200	\$2,116,200	\$2,116,200
<b>8. Northwest Airlines Midfield Terminal Project</b>	<b>Gross</b>	<b>(\$6,000,000)</b>	<b>(\$6,000,000)</b>	<b>(\$6,000,000)</b>
Elimination of funds will not occur if a cigarette tax increase of at least 30 cents per pack is enacted (PA 503 of 2002).	GF/GP	(\$6,000,000)	(\$6,000,000)	(\$6,000,000)

**HIGHER EDUCATION****Supplemental Appropriations**

		<u>House</u>	<u>Senate</u>	<u>Enacted</u>
<b>Michigan Merit Award Program</b>	<b>Gross</b>	<b>(\$50,000,000)</b>	<b>(\$50,000,000)</b>	<b>(\$50,000,000)</b>
Elimination of funds will not occur if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).	Restr GF/GP	(50,000,000) \$0	(50,000,000) \$0	(50,000,000) \$0

**GENERAL SECTIONS****Boilerplate****Sec. 1202. - VOID**

Section is void due to enactment of the cigarette tax increase (2002 PA 503).

**Sec. 1203. - VOID**

Section is void due to enactment of the cigarette tax increase (2002 PA 503).

**GENERAL SECTIONS**

**Boilerplate**

**Sec. 1204. *Transfer To General Fund***

Transfers \$100.0 million from the Merit Awards Trust Fund to the General Fund.

**Sec. 1205. *Negative Appropriations Affected by Cigarette Tax***

Provides that certain negative appropriations in this act and sections 1202 and 1203 are not effective if a cigarette tax increase of at least 30 cents per pack is enacted (2002 PA 503).

**Sec. 1206. - VOID**

Section is void due to enactment of the cigarette tax increase (2002 PA 503).

**Sec. 1207. *Budgetary Savings Line Item***

Establishes a negative Budgetary Savings line item of \$173,200 for the Capital Outlay budget.

**Sec. 1208. *Clean Michigan Initiative***

Allows for prior Clean Michigan Initiative appropriations to carry forward into FY 2002-03.